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THE NEW YORK TIMES AND THE WASHINGTON POST

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Paris, Wednesday, November 11, 1998

No. 35,985

A Safe-Water Plan Turns Poisonous in Bangladesh

High Arsenic Levels in Tube-Well System Are Bringing Slow Death to the Population

By Barry Bearak
New York Times Service

MIAPUR, Bangladesh — A month MIAPUK, Bangiadesh — A month ago, the young mother found out that her own slow dying was nothing unusual, that tens of thousands of Bangladeshi villagers were suffering the same ghastly decay, with their skin spotted like spoiled fruit and warts and sores covering their hands and feet.

Services complete con-Bangladesh is in the midst of what some experts say could be the biggest mass poisoning in history. Dangerous levels of arsenic have been found in the ground water, entering millions of people sip by sip as they drink from a vast system of tube wells. Most of these hand-operated pumps are 10 to 20 years old, which is about how long it takes the arsenic to do its lethal work, killing with

one of several cancers.

The unfolding crisis is the unintended sequence of a colossally successful safe-water program.

For 25 years, the government along with Unicef and other aid groups has weaned villagers from disease-carrying pond water and helped them to sink pipes into underground aquifers. The naturally occurring arsenic that tainted these subterranean sources was overlooked.

Doctors and aid workers told Pinjira Begum, 25, of this calamity as they explained to her how seriously ill she was. But news that her misery had a hideous amount of company was of no consolation to a mother of three with a-4-month-old baby in her arms. Too many other indignities were rushing in-

Her husband had decided she was no longer of use to him. "She was pretty once, but now she is too thin and smells bad and is uglier by the day," he said.
On Oct. 21, using a man's traditional right in these Islamic hinterlands, Masud Rahman, 25, took a second wife.
Now, as Pinjira's fevered body seems to melt in the bed, her husband sleeps a few feat array with the part heids.

feet away with a new bride. These days, such heart-breaking sto-ries are in frightfully large supply in Bangladesh and the neighboring Indian

state of West Bengal. People come out of their one-room mud-floored homes and show the skin lesions on the paims of their hands and soles of their feet. These ulcers are signs of advanced arsenic poisoning.

Estimating how many lives the ar-senic will eventually claim is a mul-tiplication problem with as yet too many unknowns: how many people are drink-ing the poison, how long have they been doing it and when will they stop.

"Arsenic in drinking water poses the highest cancer risk ever found," said Dr. Allan Smith, an epidemiologist at the University of California at Berkeley who this year has made three trips to Bangladesh for the World Health Organization. "But we still don't know how many millions have been exposed and at what levels.

"We could be talking about bundreds of thousands of deaths. We just don't know. The cumulative dose is what kills. Every day that people continue to drink the contaminated water could re-

See BANGLADESH, Page 5



Remembering the 'War to End All Wars'

Two sergeants of the Royal Canadian Regiment paying their respects to the fallen soldiers of World War I at the Tyne Cot Memorial and Commonwealth War Cemetery in Passchendaele, Belgium, on Tuesday. France will hold a commemoration of the 80th anniversary of the Armistice on Wednesday. Page 4.

Italian Leader Asks For Fiscal Leeway

Europeans Deserve 'Reward' For Discipline, D'Alema Says

By Alan Friedman

ROME - Warning that the risk of recession is rising. Prime Minister Massimo D'Alema of Italy said Tuesday that Europe must be prepared to consider softening the rules on deficit spending under monetary union and mount a Europewide campaign of public investment to create johs

Mr. D'Alema said that the new investment spending, which could be financed hy Eurobonds, should be excluded from the calculation of budget deficits as defined in the Maastricht treaty. The comments came in his first newspaper interview since taking office

Mr. D'Alema, a former Communist who heads a center-left coalition government that espouses largely free-market practices, said Europe could exempt such new borrowing "by deciding to interpret" the Stability and Growth Pact, under which members of the currency union are required to stick to strict deficit targets after the introduction of the euro on Jan. I.

We are beading for a very difficult 1999, in which growth is slowing and the risk of recession and deflation exists. At the same time, the euro will be launched, and it may become necessary to act by introducing public investment spending aimed at stimulating growth." Mr. D'Alema said.

Those investments can be excluded from the calculation of the Maastricht deficit targets," he said. "This is not being scandalous or heretical. I am not proposing that we print money. All I am saying is that if necessary, Europe could decide to interpret the stability pact."

Mr. D'Alema's thinking is similar to that of senior officials in the new Ger-

man government of Chancellor Gerhard Schroeder, which replaced the conservative administration of Helmut Kohl. Together, these views reflect the change sweeping across Continental Europe as center-left governments search for ways to counter economic slowdown and high unemployment, while still respecting the rigid budgetary rules imposed by the Maastricht process.

See D'ALEMA, Page 10

Mr. D'Alema, a former Communist who heads a center-left coalition. Force in Gulf Builds as U.S. Weighs Strike

By Steven Erlanger New York Times Service

WASHINGTON - President Bill Clinton met again Tuesday with his senior national security team as Defense Secretary William Cohen ordered the aircraft carrier Enterprise to speed more quickly to the Gulf, where it could be used in any attack on Iraq.

Senior American officials said Mr. Clinton had not yet decided whether to use force against Iraq or how quickly it might come. But he is debating whether to strike Iraq now or wait 10 days or so, to allow him to go first to an APEC summit meeting in Malaysia, as well as to add more forces to the U.S. and British arsenal aimed at Iraq.

But the officials said they were making contingency plans to curtail or cancel Mr. Clinton's trip to Asia if necessary.

More time would also allow President Saddam Hussein of Iraq to retreat from confrontation again, although American officials said they doubted he would ever cooperate sufficiently with UN weapons inspectors to allow the true disarmament

of frag through peaceful means.

Mr. Cohen said military force was a live option. "We'd consider the possibility of degrading his capability of manufacturing the weapons of mass destruction, or the means of delivering them, of posing a threat to the region, he said. "It would be a significant de-

gradation of his capacity.

The State Department spokesman,
James Rubin, said: "This cannot go on indefinitely. Saddam Hussein is not an abstract threat."

Mr. Cohen said: "Diplomacy always should have every opportunity to dance. But at some point, a dance has a be-ginning and an end."

The speedup order to the Enterprise— it should now arrive in the Gulf three days earlier than planned—followed the dispatch of another guided-missile cruiser. Its arrival this week will increase the number of warships in the region to 14. More significantly, it will increase to eight the number of vessels - two cruisers, five destroyers and one submarine-

that can fire Tomahawk cruise missiles. Mr. Clinton has already delayed his departure for Asia by one day. Rather than leaving Friday for 10 days in Malaysia, Japan and South Korea, Mr. Clinton will leave Saturday.
His spokesman, Joe Lockhart, said the

delay was due to the fact that Mr. Clinton did not want to be in Guam before a Monday runoff in an election there for governor. But other officials were skeptical of Mr. Clinton's sudden reluctance to intervene in party politics, suggesting that the delay was meant to leave more options open for ordering force.
It is important for Mr. Clinton to be in

Washington to monitor any use of force and deal with the diplomatic and public fallout, the officials said. Vice President Al Gore could travel in his place. But the president is eager to go to the meeting in Malaysia of the Asia-Pacific Economic Cooperation forum and grapple with the issues of Asia's economic troubles. He skipped an APEC meeting in 1995, at the time of a U.S. government shutdown over a budget dispute, and Asians were hurt and angry.

Mr. Lockhart said it could take a couple of days for Mr. Clinton's national-security team to refine the options for the timing of any attack. After

See IRAQ, Page 4

Mary han the second of the sec In Germany, Wal-Mart Touches Off a Price War

By John Schmid

n für þari. pling competitor of traditional stores with its "supercenters" that offer a huge variety of merchandise at

Wal-Mart, the world's biggest retailer, has acquired the Wertkauf GmbH chain of 21 discount super-

low prices, gained a footbold in Germany 10 months ago. Now, price wars have erupted in Germany, a nation that has long coddled its village shopkeepers. markets in what analysts see as the first step in an

By John Schmid

International Heroid Tribune

By John Schmid

By J seas drive has added more than 600 stores to its 2,800 in the United States.

In behemoth stores as large as four soccer fields, Wal-Mart in the United States sells just about anything, from cat food and clothing to compact disks and auto parts. It has made a science of cutting prices.
Its "associates," as Wal-Mart employees are

called, study rulebooks on customer service, and its 'people greeters' in cheerful blue vests smile at customers coming in the door (a feature that might be imported to Germany). By contrast, German retailers only recently have begun training their staffs about service.

The company said Tuesday that sales in its rapidly growing international division rose 66 percent in the quarter that ended Oct. 31, to \$2.96 hillion. Wal-Mart's sales worldwide were \$33.5 hillion.

Net income for the quarter was \$1.01 billion, up from \$792 million a year earlier. That brought the haved," Mr. D'Alema said. "We didall

See WAL-MART, Page 10

U.S. Threatens No Hit EU With 100% Tariffs

By Barry James

BRUSSELS - A long-standing dispute over trade in bananas risked es-calating into a trade war as Washington threatened Tuesday to impose punitive tariffs on hundreds of millions of dollars of European exports.

The EU commissioner of foreign

trade, Sir Leon Brittan, said the proposed sanctions — over what the United States sees as a protectionist deal for Europe's for colonies and dependencies were miwise and dangerous, and he ap-

pealed to Washington to resume talks at the World Trade Organization.

American officials said a range of EU products would be hit with 100 percent tariffs starting Feb. 1, making them prohibitively expensive in the American made to Price and European which have market Britain and France, which have been particularly active in protecting their former colonies, would bear the brunt of the sanctions.

Among the goods targeted,
Bloomberg News reported from WashBigton, were cheese, fruit juices, breads, clothing, packing containers, paper and paper products, toiletries, candles, prin-ted material including greeting cards and postcards, linen, scissors, domestic appliances such as vacuum eleaners and food processors, electrical lighting equipment, photographic equipment, toys, writing implements, and Champagne and other alcoholic beverages. A notice published Tuesday in the Federal Register by the office of the

See TRADE, Page 10

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AGENDA **Besieged French Official Refuses to Quit**

PARIS (AP) — Former Foreign Minister Roland Dumas, under fire for his alleged involvement in a multimillion-dollar kickback scheme, said Tuesday that he would not resign as president of one of France's highest

legal bodies.
"With a clean conscience, I will continue to preside with screnity and objectivity, over the Constitutional Council, which continues to function without problems," Mr. Dumas Mr. Dumas has come under in-

creasing political pressure to resign after his former mistress, Christine Deviers-Ioncour, published a book last month giving her account of his involvement in the kickbacks Investigators say Mrs. Deviers-Joncour, who is about 20 years younger than Mr. Dumas, was hired to lobby him to secure the state-owned Thomson company's 1991 contract to build frigates for Taiwan.

The Dow 1,128.24 -0.17% + 0.24% Books Page 4. Page 11. Pages 8-9. Pages 22-23. Mr. Dumas has denied the accu-

Tuesday @ 4 P.M. previous close 1.6838 1.6888 122,365 121.7 5.6467 5.6586 1.659

Schroeder Calls on Europe To Make Jobs a Priority

By William Drozdiak Washington Post Service

BERLIN --- Gerhard Schroeder. the new chancellor of Germany urged Europe's predominantly left-of-center governments Tuesday to unite in a Continental ininative to fight the unemployment that has left nearly 20 million people out of work and heightened the risk of political extremism.

In an inaugural speech to Parliament that laid out the policy objectives of his new governing alliance of Social Demo-crats and Greens, Mr. Schroeder said that his recent election was the culmination of a dramatic transformation over the past two years in Europe's political landscape, with 13 out of 15 European Union governments now in

the hands of left-leaning rulers.
Unlike Helmut Kohl, his conservative predecessor, Mr. Schroeder said his coalition would "seize the unique opEurope presents" and seek a coordi-

nated European policy in creating jobs to cope with what he described as Germany's most pressing problem.

In spelling out his own modest agenda of tax cuts and other measures designed to put the nation's 4 million unemployed back to work, Mr. Schroeder acknowledged that his room for maneuver was limited by what he called the "financial hurdens" bequeathed by 16 years of Mr. Kohl's government

We have said that we do not want to do everything differently but many things better," Mr. Schroeder said. We are going to get this country mov-

Mr. Schroeder said the Social Democrats had conducted an audit upon taking over the government and were

See GERMANY, Page 10

Indonesia's Rocky Road Forward

Factions Clash in Jakarta Streets as Assembly Meets to Plan Future

By Keith B. Richburg Washington Post Service

JAKARTA - The ruling elite of Indonesia opened a four-day meeting Tuesday aimed at dismantling the repressive laws of the anthoritarian past and plotting the course to a democratic future.

But on the streets, democracy was on full display, as thousands of student protesters blocked roads and clashed with pro-government vigilantes armed with bamboo spears.

The students, whose relentless protests led to the fall of former President Subarto in May, were back out in force Tuesday, this time demanding that the Leg-islative Assembly, consisting of Suharto appointees and former cronies, stick to the path of political reform and turn the ousted dictator's resignation into a genuine revolution against the system he left behind.

Among other things, the students are demanding that Mr. Suharto and his family members who enriched themselves during his three decades in power be brought to trial. The students also want a wide-ranging investigation of human rights abuses committed during the Suharto years.

None of those issues is on the agenda for the session of the People's Consultative Assembly, which is meeting behind a cordon of thousands of troops to draw up an electoral calendar for next year and decide the rules

for Indonesia's first open political contest in decades.

The students, and leaders of the political opposition, are skeptical that this assembly can manage the task of navigating Indonesia from dictatorship to democracy. The 1,000 delegates are mostly Suharto-era holdovers, stalwarts of the ruling Golkar party, and members of the military - the very forces that resisted the

push for change here and reluctantly embraced it only when Mr. Suharto was removed from the scene. In addition, the most popular figures of opposition to Mr. Suharto, like Megawari Sukarnoputri, the daughter of the late president, Sukarno, and the Muslim academic Amien Rais, were barred from attending the session. They held their own meeting Tuesday and issued their own proposals for reform, including a demand that Mr.

Suharto's successor, President B.J. Habibie, step down immediately after elections are held in May. At the center of the debate is a reform agenda advanced by Mr. Habibie to hold elections for a new Parliament in May, choose a new president by the end of 1999 and to limit the president to two consecutive

five-year terms. The assembly must also rewrite the country's restrictive political laws, that now allow for the existence of just three political parties, the ruling Golkar machine and two smaller parties that are limited in where

See INDONESIA, Page 5



Students facing off against riot police guarding the Parliament building in Jakarta on Tuesday.

By Linda Greenhouse

ASHINGTON - Constitutional scholars on both bers of the House Judiciary Comminee that a compromise like a vote to censure President Bill Clinton has no basis in the Constitution and could dangerously weaken the institution of the presidency.

The subject of the daylong hearing Monday before the Judiciary Committee's Subcommittee on the Constitution

But if high crimes and misdemeanors provided the text, high-stakes politics was the subtext as the committee members often used the distinguished law professors and historians as foils for scoriog their own points.

Outside the hearing room, the world may bave changed since the Republicanled House voted last month to open impeachment proceedings that the public in last Tuesday's election appeared to have decisively, if implicitly, rejected.

But inside, partisan lines were sharply drawn, tempers flared and in-sults flew among members of the com-

nuttee and even between committee members and the scholarly witnesses

If the Republicans were looking for an exit strategy, a graceful way of walking away from the politically uninviting

prospect of an up-or-down impeachment vote, that was not apparent.

Indeed, Representative Charles
Canady, Republican of Florida, who heads the subcomminee, ser the tone when he announced in his opening stateclearly supports the conclusion that the president is guilty of multiple acts of lying under oath, obstruction of justice and other offenses. for which he "must be called to account under the Con-stitution for the commission of high crimes and misdemeanors.

Democrats reminded the Republican majority at every turn that "the American people have so clearly told us it is time to move on, as Representative Robert Scott of Virginia, the subcommittee's senior Democrat, put it.

Henry Hyde, the Illinois Republican who is chairman of the full comminee, responded grimly that while "we pay anention to the polls and to the election. the committee was obliged to press on.

"I'm frightened for the rule of law."
Mr. Hyde said. "We should have a
government of laws and not of men, but
we're going in the other direction."
Any Republicans who might silently

have been hoping for a negotiated com-promise short of impeachment found linle eocouragement.

"It is either impeachment or oothing," said the lead-off Republican witness, Gary McDowell, a former Justice Department official in the Reagan administration and now director of the Institute of United States Studies at the

University of London.

"Impeachment is the only legitimate constitutional punishment available," he said, adding that for Congress to vote for censure would be "to assume a power not given."
Mr. McDowell's view was echoed by

another Republican witness, John Mc-Ginnis, a law professor at Yesbiva Uni-

On the Democratic side, the Revereod Robert Drinan, a professor at Georgetown University Law Center wbo sat on the Judiciary Committee as a Democrat from Massachusens when the comminee voted to impeach President Richard Nixon, said the alternative of

precedent which would weaken the institution of the presideocy.

Arthur Schlesinger Jr., the historian, said in his prepared testimooy, in a portion he did not read before the subcommittee, that censure would "hand one or both bouses of Congress a new weapon to threaten and intimidate pres-

IEWS ON THE censure ques-tion, although widespread, were oot uniform. Michael Gerhardt, a law professor at the College of William and Mary and the only one of the 19 witnesses to appear under the spoosorship of both parties, said censure bad been used against five judges and two presidents, Andrew Jackson and James Polk, in the

Andrew Jackson and James Polk, in the 19th century. "I think censure has a textual and historical pedigree we shouldn't ignore," he said.

A Republican witness, William Van Alstyne, a law professor at Duke University who was scathingly critical of Mr. Clinton, urged the committee, in light of the likelihood that impeachment uppuld fail. "To the extent was can provide fail." would fail, "to the extent you can, struggle to find a suitable means to express your sense of disappoint-

He said it was "the prerogative of this Congress to express dismay, despair and condemnation" by a means sbort of impeachment.

rmpeachment.

The tense and snappish mood on the subcommittee was perhaps best illustrated by an exchange sparked by Mr. Schlesinger's remark that Coogress should approach with a "sense of proportionality" the question of whether lying about sex. whether by Mr. Clinton in this instance or by Thomas Jefferson in connection with his relationship with bis slave, Sally Hemings, should lead to

'I doubt if there's anyone in this room who hasn't told a lie at one time or another about his love life." Mr. Schlesinger, 81, said. "We'd become the laughingstock of the world" if such an offense led to impeachment, be said.

This provoked an outburst from Representative Bob Inglis, Republican of South Carolina, who, while sarcastically prairing Mr. Schlesinger's "level

ally praising Mr. Schlesinger's "level of sophistication," said the professor's message was "lie if you choose because

"We should publish in the Federal Register a list of permitted perjuries," continued Mr. Inglis, who was defeated last week in a Senate race and will soon

be leaving Congress. "Lie if you're the president. Lie in a case involving ser. After all, be says, gentlemen do that, and you'd just not be with it if you didn't lie about sex."

On the deepest

On the deepesi question before the subcommittee, the standard for determining an impeachable offense, the Democratic witnesses generally took the view that the Constitution demanded a grave misuse of official power, and that the allegations against Mr. Clinton

did not come close to meeting that test.

Professor Cass Sunstein of the University of Chicago Law School urged the members to draw a lesson from the "tradition of restraint and forbearance" that bas kept Congress from impeaching unlawful transfer of arms to Britain the early years of World War II io Ronald Reagan's involvement in the

Many of the Republican witnesses said the framers would have been com-pletely comfortable with impeaching a president for a demonstrated lack of personal integrity as indicated by perjury and obstruction of justice, among the charges the independent counsel, Ken-

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The Next House Speaker: A Classic Republican and a Calming Influence

By Katharine Q. Seelye

ASHINGTON — The man who would be speaker is in publican. He is a hawk on defense. He is an advocate for business. especially the oil and gas industries in his home district in Louisiana. He opposes abortion. His formative political years were spent reading Ayn Rand and George Orwell.

And he is no softie. He has a black belt in karate. His temper has flared openly on the House floor and in private behind closed doors — anywhere he decides to dig in his heels. Bob Livingston can suddenly shout, turn red and flail his arms around as if trying to take flight. But friends and adversaries alike say

these outbursts are usually done for effect, and when they are over, he'll catch someone's eve and laugh. In any case, he now yows to keep his cool.

Robert Linlithgow Livingston, 55, a

lanky Louisianan with an aristocratic New York pedigree, is the presumptive speaker of the House, second in line to the presidency after the vice president. He has secured the position unofficially after a midterm election in which he doled out thousands of dollars in campaign funds to fellow House Republicans and, over the last week, commanded a five-day steamroller over potential rivals, including the current speaker and his longtime friend. Newt Gingrich.

He is expected to be picked by his fellow Republicans in a secret ballot Nov. 18. Then the entire House is to vote for speaker in January, a vote that normally runs aloog party lines and will almost certainly propel Mr. Livingston into the top spot. He is presenting himself as a calming influence in the House, a day-to-day manager and a reassuring figure of stability after a wild ride under Mr. Gingrich and two elections in which Republicans lost House seats.

Members of both parties said Monday that Mr. Livingston's taking over the helm would probably have little effect oo the Republican policies that have emerged over the last four years but that he would put less emphasis on the social issues pushed by the hard-core right.



Representative Bob Livingston of Louisiana, laughing in Washington with the speaker of the House, Newt Gingrich, whom he is likely to succeed.

initially, would be to take the sting out will become much less cannibalistic and of the fierce partisanship that developed

"He will have pretty much the same agenda that Newt had," said Representative David Obey of Wisconsin, the ranking Democrat on the Appropriations Commince, which Mr. Livingston beads. You will still have a pro-big-business. very much pro-oil-industry party, and it is

still very much a Southern-led party." But, he added: "The main difference is that Livingston is an institutional man and Gingrich was an anni-institutional man. Gingrich was willing to turn the institution into a snake pit in order to

They said the biggest ebange, at least take power and hold power. This place much less of a snake pit.

> OME CONSERVATIVES worry that Mr. Livingston will prove too conciliatory to Democrass. Some worry that, as a manager, he will be too narrowly focused on the details of the budget and forgo the role of inspirational leader.

To Mr. Livingston, this is a virtue. 'The big picture is easy," he once said. "Anybody could sit around and direct the big picture. But where the second-guessing occurs and you get your problems are on the hundreds and

Aspirants Jockey for Other Top Posts

Gingrich's Departure Emboldens Challengers From Left and Right

By Guy Gugliotta and Juliet Eilperin Washington Past Service

Representative Bob Livingston of Louisiana all but certain to succeed Newt Gingrich as speaker, other House Republican leaders are fighting to bold off challengers emboldened by

the party's disappointing results in congressional elections last week.

Representative Jennifer Dunn of Washington, a moderate and vice chairman of the House Republican Conference, announced Tuesday that she would challenge the majority leader, Dick Armey of Texas. Mr. Armey is already facing a challenge from a young conservative, Steve Largeot of Oklahoma and a third lesser-known lawboma, and a third, lesser-known law-maker — Howard (Buck) McKeon of California -- Is considering the race.

Armey aides expressed confidence that the majority leader would prevail when Republicans meet next week to select leaders, but the challengers are boping to capitalize on discontent

perhaps thousands of linle issues that

can develop all of a sudden into a big

speaker last week, he promised a de-

votion to day-to-day governing. With a

mere six-vote Republican advantage in

the new House, he bas downplayed ex-

pectations about what be can accomplish.

'If we areo't realistic about those goals,'

Representative Jim Kolbe, Republi-

can of Arizona, and one of Mr. Liv-

ingston's top lieutenants, said: "He will

insist on getting the budget out. There is

more of an understanding among Re-

publicans now that four years of push-

be said, "we will not achieve them."

When he announced his candidacy for

issue and hang up your hill."

among both conservative and moderate lawmakers with the way the No. 2 House Republican has handled his job.

Mr. Livingstoo met with Mr. Armey on Tuesday, and members close to Mr. Livingston said be did not plan to eodorse any candidates in the leadership contests. After months of lining up votes, Mr. Livingston appears poised to become the party's choice for speak-er next week, when the 223 House Republicans from the incoming 106th Congress meet to elect their officers and make committee assignments.

Mr. Livingston was in the audience for a speech this week by Mr. Gingrich, a Georgia Republican, who called Mr. Livingston "the next speaker of the House." In his address to GOPAC, the political action committee he once headed, Mr. Gingrich said he had de-cided to leave because his continued presence in the House would have been an "excuse for divisiveness and fac-

tionalism' among Republicans. In the Senate, meanwhile, the assistant leader of the Republican majority, Don Nickles of Oklahoma, made clear that he would not challenge

tog a social agenda has not succeeded in

expanding our majority."

With Mr. Livingston's respect for the

institution of the House, bis supporters

say he plans few internal changes, except

for making members work longer weeks.

wholesale changes," a Republican member said. "He has a great regard for

the status quo that exists here now."

'Don't look for Livingstoo to make

He also likes to convey a sense of

being in control, occasionally resorting

to theatrics like wielding a machete to

show he is a budget cutter. As Appro-

priations chairman, Mr. Livingston had a

habit of standing up throughout his com-minee meetings. "When he's running

Trent Lort of Mississippi for the leadership, despite pressure on him to do so from some conservatives, both on and off Capitol Hill.

"I am sending a letter to my col-leagues announcing that I plan to run for Mr. Nickles said.

Handicapping the leadership con-sts is a hazardous enterprise particularly because "members lie" about commitments, as a top House aide put it. Unlike floor votes, which are pub-licly recorded, party leaders are elected by secret ballot, and the art of lining up support in a leadership election can be something of a leap of faith.

A spokeswoman for Mr. Armey said her boss had more than 100 votes from supporters "who said they were going with Armey no matter what," and ultimate success was 'simply a maner of locking down the last 10" votes.

Representative John Shadegg of Arizona, who is supporting Mr. Largent's candidacy, dismissed this assertion.

"The standard line is that from the first nanosecond of the race to say you've got it locked up," he said.

the committee," one Republican said.

Livingstons, a family that once owned a boge swath of the Hudson Valley. The

patriarch, Robert Livingston, swore in George Washington as president and

helped negotiate the Louisiana Purchase.

Another ancestor, Philip Livingstop,

signed the Declaration of Independent.
The family fortune was wiped out it.

the Depression. Mr. Livingston's own

father was an alcoholic who divorced

the future congressman's mother when

Robert was 7. Mr. Livingston has said

that the lesson be took from his father is:

"I wanted to do better than he did."

He is descended from the New York

he likes to see the whole terrain."

Costly Geese: \$5.3 Million at JFK

NEW YORK — The "runway sweeps" to frighten agency that operates John F. birds away before every Kennedy International Air- takeoff or landing of a Conport will pay Air France \$5.3 million to senle a lawsuit over damage done to a Concorde jet by a flock of geese that were sucked into its engines.

Air France contended that the Port Authority of New York and New Jersey had

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failed to perform required corde flight.

Air France said repairs to the plane after the 1995 landing took five days and cost was injured. Neither the Port Authority

nor the airline would discuss away. the matter, which was report-

> See our Friendships every Saturday in The Intermarket

TRAVEL UPDATE

Club Med Tourists Return to Paris

PARIS (Reuters) — A group of 287 tourists flew back to France on Tuesday after being held hostage for three days by striking workers at a Club Mediterranee resort on the Caribbean island of Martinique.

The vacationers were blocked inside their village complex on Thursday and were only rescued on Sunday night wben more than \$9 million. No one policemen in riot gear were called in to break through the

picket line. The jourists, who were originally due to fly home on Saturday, were then bundled aboard buses and whisked One unideotified tourist told French television after ar-

ed Monday by The Star-riving in Paris Tuesday: "There was a lot of aggression. The buses were hit by axes and clubs. Young children and elderly sev." Another tourist said stone-throwing strikers had smashed

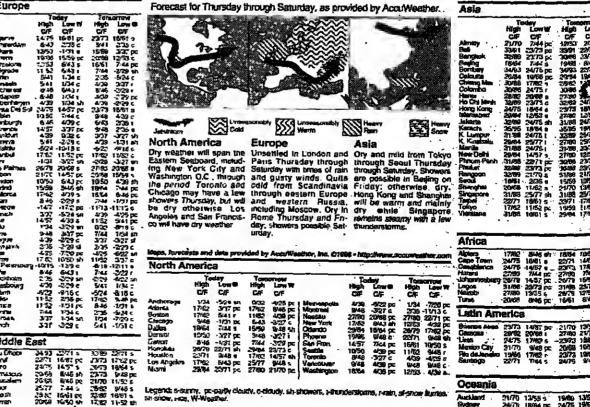
the windshields of two buses. A Club Med spokeswoman said the holiday group, would write shortly to all the customers, offering compensation for

their ordeal. "The exact terms of the compensation are being worked out at the moment," she said. Club Med said in a statement that the Boucaniers village would remain closed until further notice. Workers at the island reson went on strike to press their demand for an 8 percent pay

hike. Management has offered them 3 percent.

The first big U.S. snowstorm of the season swept across the nonhern Plains on Tuesday, shuning down a major highway and sending hundreds of cars skidding into ditches. One persoo was killed in a car crash in Minnesota, where up to a foot (30 contimeters) of snow was expected by nightfall. In western South Dakota, a 175-mile stretch of Interstate 90 was shut down because of ice and low visibility.

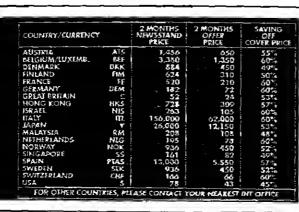
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or Nothin

More Americans Using Less Water 9% Fall Despite Population Rise

By William K. Stevens

NEW YORK - In a little-noticed but potentially historic environmental turnabout, federal analysts report that Americans' use of water fell about 9 percent from 1980 to 1995 even though the U.S. population grew 16 percent over the

The drop in water use, which came after decades of steady increase, is attributed largely to a gradual shift in emphasis from finding ways to capture more water - building dams, for instance — to using it more efficiently.

The recent disclosure of the decline, by the U.S. Geological very, runs contrary to the conventional belief that water use interitably rises with economic and population growth and that priority must therefore be given to opening up new sources. But now, agriculture and industry, especially, have become more frugal in using water. As a result, some say, the oncesolid linkage between water use and growth may have been

"The data are showing a fundamental change in the way we're using and thinking about water," said Peter Gleick, director of the Pacific Institute for Studies in Development, an environmental research organization in Oakland, California. He is also the anthor of a new study, "The World's Water."

Whether the decline in water use will continue is unclear.

Most of the drop occurred in the 1980s, with a decline of only 2 percent reported from 1990 to 1995, the latest year for which numbers were available. Moreover, the numbers are estimates and therefore subject to error.

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Nevertheless, specialists say, a steady 100-year uptrend in the nse of water appears to have been halted.

"We feel pretry confident in saying that things have stahilized over the last 15 to 20 years," said Wayne Solley, a

**Irologist at the Geological Survey.

He is the lead anthor of the agency's report, which was released last month.

Child's Play Wanes

Structured Activities Taking Time From Diversions Like Tag and TV

By Barbara Vobejda

WASHINGTON - American children spend less time watching television than they did in the early 1980s and less

watching television than they did in the early 1980s and less time eating, but more time in sports and slightly more time on homework, according to a new national study.

Among the most striking changes is the increase in time spent at school, up by an average of more than 90 minutes weekly since 1981. That is happening not because academic school days are longer, researchers said, but because more children are in preschool programs and child-care programs sefore and after school.

The study by the Institute for Social Research at the University of Michigan, the first in-depth look in nearly two decades at how U.S. children spend their time, offers a detailed perfore and after school. portrait of modern family life in America. It shows that the entry of more women into the labor force has had an effect on childhood schedules, causing a sharp decline in the hours children can spend playing tag outside, for ex other unplanned activities.

Free time left after going to school, eating and sleeping, the study found, had decreased last year to 25 percent of a child's

day from 40 percent in 1981.

"Children are affected by the same time crunch that their parents are affected by," said Sandra Hofferth, a senior research scientist at the institute. "Parents are husy, and

children are spending much more time in structured en-After collecting minute-by-minute time diaries from the families of 3,600 children, the researchers were able to

describe in detail a typical child's week, from the average 74 hours asleep to the 9 hours spent consuming meals. Overall, children average about 90 minutes in front of the television set on weekdays, down from two hours in 1981. But TV still occupies far more of a child's time than does

homework or reading: Average study time on weekdays increased to 21 minutes from 14 minutes for boys. For girls, the figure rose to 22 minutes from 19. And reading at home, even for 12-year-olds, occupies less than an hour and a half each week, no more than in 1981.

POLITICAL NOTES

The Bell Tolls for Free Interstates

WASHINGTON — The marvel of the Interstate highway system in the United States is not just that it runs through all 50 states, but that most of it is free. A driver can angle from Key West. Florida, up to Bellingham, Washington, and easily any tolls. The end of the free ride may just over the A provision in the new \$203 billion transportation spending borizon, though.

law allows lets up to three states add tolls on their Interstate Advocates say the test program is the only way for some cashstrapped states to maintain their overburdened roads.

But truckers and other heavy road-users say Interstate tolls amount to double taxation. It is gas taxes, they note, that paid for President Dwight Eisenhower's grand vision of a cost-free. concrete grid speeding commerce and people from coast to coast. They plan to fight any request for tolls. They will make Arkansas, whose highway commission has already voted to apply for a toll permit, "ground zero" in their campaign.

Dangeduania's covernor Torn Ridge has also proposed.

Pennsylvania's governor, Tom Ridge, has also proposed tolls For Interstate 80, a major east-west artery, and Florida officials have mentioned tolls as a way to relieve congestion on Interstate 4 outside Orlando. States between Seartle and Chicago have also long-complained about traffic that speeds from the port to points east with heavy costs but little benefit.

(AP)

Front-Runner for Gingrich's Seat

WASHINGTON — Johnny Isakson, the chairman of Geor-gia's state school board and a Republican moderate, will enter the special election race to replace the House speaker, Newt Gingrich, later this week, according to sources close to him. Mr. Isakson, who served as minority leader in the Georgia state House and twice ran for statewide office, would be the automatic front-runner in the staunchly Republican, suburban

The date of the special election remains uncertain, because Atlanta district Mr. Gingrich has not specified the date of his resignation from the House. Governor Zell Miller will have 10 days after Mr. Fingrich leaves office to set the date; the contest toust be held least 30 days after the order is issued.

Many state officials believe the election will be held in the first few weeks of 1999.

Quote/Unquote

Newt Gingrich, who resigned as speaker of the House after his confident predictions of Republican gains evaporated on Election Day last week. I can't pretend to any of you that I saw it coming; because frankly I thought I was in one world at 6 o'clock and was in a different world by midnight." (AP)





PLAINS' SCRAPE — A Kearney, Nebraska, man clearing his windshield alors were presumed dead, bringing Tuesday after snow hit the Northern Plains, closing 600 miles of highways, stranding motorists and causing power outages. People were advised not to travel in South Dakota and parts of North Dakota and Nebraska.

Away From Politics

· A federal safety agency is reviewing whether more protection is needed in automobiles for passengers involved in side-impact crashes. The National Highway Traffic Safety Administration granled a petition filed by a consumer group, Advocates for Highway and Auto Safety. The current federal standard for side-impact protection is too weak and is long overoue for strengthening. said Judith Stone. the group's president.

 Six women inmates in New York state prisons have filed a federal lawsuit seeking to prevent male correction officers from frisking clothed female inmates. The suit contends that the practice is degrading and sexually abusive and violates the inmates' consututional protection against cruel and unusual

• The navy called off a search for three aviators who went overboard into the Atlantic Ocean off Virginia when two jets collided on the deck of the carrier Enterprise. The avifour. The cause of the collision remained under investigation. (AP)

Labour Takes Over In Bermuda Ballot

The Associated Press

HAMILTON, Bermuda — The Progressive Labour Party, supported by many of Bermuda's blacks, has ended 30 years of conservative rule by sweeping to its first victory in general

Preliminary results showed the Labour Party winning 26 seats in the 40-seat Parliament, with the rest going to former Prime Minister Pamela Gordon's United Bermuda Party.

Labour held 18 seats in the outgoing government.
The Labour Party leader, Jennifer Smith, who will become the new prime minister, said Bermuda's residents had met

their "date with destiny" in the elections Monday. Turnout was 77 percent of the 36,000 voters on the island.
Britain's most populous remaining colony with 60,000

The biggest issue was the economy, which is dependent on tourism and a booming off-shore banking industry now threatened by proposals for stricter regulation.

The Labour Party, which has moved to the political center in recent years, sought to reassure the island's white-led business community during the campaign. The party, formed 35 years ago, had never won a parliamentary election before Monday.

Although Bermuda residents enjoy one of the highest residents of living in the world with a per capita income of standards of living in the world, with a per capita income of

standards of living in the world, with a per capita five the of \$36,000, some complain of declining education standards and a lack of affordable housing on the 22-square-mile island.

"We've got a lot of work to do." Ms. Gordon said, acknowledging the party's defeat, "and if this is what the people of Bermuda need to start the healing process, then we need to get here." The United Party was founded by the white busy." The United Bermuda Party was founded by the white merchant class descended from Britons who settled in Berniuda in the 1600s. Ms. Gordon is black, as is most of her cabinet, but the party is seen by many as part of the white establishment.



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> NAIROBI VICTORIA FALLS

PORUM HOTEL

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end of World War I.

The 1914-18 war, at the time called by French soldiers "la der des der" ("the very last one"), left more than 8.5 million soldiers dead. Among them were

1.35 million Frenchmen. Only a handful of veterans remain alive, but the war still arouses passion in France and has sparked a rare public dispute between Mr. Chirac and Prime Minister Lionel Jospin, a Socialist, over a mutiny by Freech soldiers in 1917.

clearing in the woods at Rethondes, north of Paris, where military chiefs of the allies and the German-led coalition signed the armistice in a railway carriage, ending more than four years of slaughter.

The bugle that first relayed news of the cease-fire to the trenches at 11 A.M. on Nov. 11, 1918, will sound again Wednesday as Mr. Chirac and Queen Elizabeth II of Britain attend the main cer-

emony at the Arc de Triomphe in Paris. Troops will march down the Champs-

say is going to be the last major com-memoration of the war that introduced -many of the weapons that shaped 20th century warfare.

The queen, who is scheduled to travel to the Ypres battlefield in Belgium later in the day, will make the link with World War II by inaugurating a statue of Britain's wartime prime minister, Winston Churchill, oo the banks of the Seine River.

Queen Elizabeth will be the highest-Mr. Chirac is scheduled to visit the ranking foreign dignitary attending the ceremonies in France.

Suggestions for a series of big eveots have been quietly dropped in favor of smaller ceremonies that have taken place over the past few months in the military cemeteries that dot the plains of northern France. To honor allied veterans, France is

Honor — to surviving soldiers.

Up to 1,000 veterans of the war are alive in France, 200 in the United States, was undermining military discipline.

Of 8.4 million Frenchmen called to arms, 1.35 million died, leaving 600,000 widows. The toll was 1.7 million dead in both Germany and Russia, 900,000 in: Britain, 116,000 in the United States. At

least 20 million were wounded.
So horrifying were the memories of the first modern-age war, that it still stirs powerful emotions.

The preparations for the 80th anniversary have been overshadowed in France by a dispute between Mr. Chi and Mr. Jospin who have spanied ovar-whether history should take a kinder view of French mutineers shot by firing squads during a particularly deadly

phase of the war. When Mr. Iospin suggested the idealast week, Mr. Chirac's office issued a iving its top award — the Legion of fare public rebuke, saying the move was fonor — to surviving soldiers. servative president suggested Mr. Jospin

IRAQ: As Clinton Weighs Options, Carrier Speeds Toward Gulf

Continued from Page 1

some departures over the weekend, about 100 UN weapons inspectors remain in Iraq, and they would presumably be withdrawn before force was used. But oo ultimatums will be issued be-

fore force is used, and no new negotiating missions to Baghdad are planned by any country, officials said. Mr. Clinton is described by some of-

ficials as reluctant to appear bloodthirsty. "He's not gung-ho; he'd rather oot resort to this," one official said. "Bot there's a feeling that it's the best of bad alternatives." The options for the use of force re-

volve around timing - strike now, while Mr. Saddam continues his defiance, or wait until more American and allied forces can be moved to the Gulf to make a strike more forceful.

"If there's going to be one morning-after reaction," one official said, "it's likely to be, 'Gee, we didn't know it would be that big.'"

He and other officials said they were tired of Mr. Saddam's constant challenging of the United Nations and the United States and his continued defiance after repeatedly breaking vows to comply with the UN and allow arms inspectors unfettered access to sites in

Iraq. Now Mr. Saddam's refusal to cooper-

official said. "We've been through this so many times. Saddam bought himself eight or nine months, but it's time to pay the piper." -

Mr. Clinton is also said to be asking what the use of force would accomplish, as precisely as possible, and what would follow any use of force. "The day-after scenario gets dicey, and we may not be coming up with the right answers," another official said.

Any use of force would probably mean the end of the UN inspection re-Saddam were to attempt to reconstitute to somewhere between 250 and 350.

ate with the inspectors is complete, of-ficials said. "This is a first, for Saddam to stiff the UN to such an extent," an extent," an extent," an extent, and extent, and extent, and extent and exte

But Mr. Rubin and other officials noted that even Mr. Saddam's norm advocates had been silent this time. 'What we're hearing around the

world is a clear and ringing call on Saddam Hussein to reverse course, from every quarter, from every country," Mr. Rnbin said.

If the administration opts for a quick strike, Tomahawk cruise missiles would play a dominant role. Although the United States has significantly reduced gime, which Mr. Saddam has not al-lowed to work for eight of the last 12 months in any event, officials say. If Mr.

Manila Adds Patrols Near Disputed Reef

said President Joseph Estrada. But a any kind with the Chinese," he said.

MANILA — The Philippines that the stepped up air and naval sestence up military patrols around a curity around Mischief Reef in the Spratlys did not amount to a blocked to prevent entry of Chinese vessels

to prevent entry of Chinese vessels into the disputed area.

"I have instructed the chief of staff to block all the exits and entry there," will be no military confrontation of staff to block all the exits and entry there," will be no military confrontation of staff to block all the exits and entry there, and because the staff to block all the exits and entry there, and because the staff to block all the exits and entry there.

BOOKS

ARMADILLO

By William Boyd. 337 pages. \$24. Alfred A. Knopf.

Reviewed by Richard Bernstein

THE talented and prolific William Boyd has written half a dozen good novels already, most of them set in exotic locales where Euro-peans struggle with the exigencies of foreignness.

His new novel, "Armadillo," is set in London, which is a shift for him. But the storytelling talents that marked Boyd's earlier books are fully in evidence in this entertaining novel, which gives us one of the more likable, lost and perplexed central characters yet to appear in his oeuvre.

The character this time is Lorimer Black, who works successfully as a loss adjuster movie "Double Indemnity." for an insurance company, a loss adjuster being a kind of investigator who makes sure that insurance claims are legitimate. Lorimer has "ink dark hair and a serious-looking, fine-featured but pallid face," an exotic look that is a clue to another identity that

The New York Times
This list is based on reports from more
than 2,000 bookstores throughout the
United States. Weeks on the list are not

FICTION

I THE PATH OF DAGGERS,

2 THE VAMPIRE ARMAND,

3 BAG OF BONES, by

Stephen King

NICHT, by Mary Higgins

6 RAINBOW SIX, by Tom

7 THE LOOP, by Nicholas

Evans.
8 WELCOME TO THE
WORLD. BABY GIRL,
by Faunic Flage.
9 THE HUNDRED DAYS,
by Panick O'Brian.
18 THE REEF. by Nora

Roberts 11 MEMOIRS OF A CEISHA.

NONFICTION

1 TUESDAYS WITH MORRIE by Misch Alborn DEATH OF OUTRAGE by Williams J.

he keeps carefully concealed. Blocj. He is known as Milo to his Gypsy family, which runs a car service and bears roughly the same relationship to Lorimer as a hack driver would to an Oxford don.

Boyd loves to pit all-toohuman characters against perverse bad fortune, giving them enough slack to try to redeem themselves, and this is what happens to Lorimer, a kind of secret foreigner amid the British.

Most obviously, Lorimer is caught up in a puzzling in-trigue at GGH Ltd., the company where he works. He comes to be suspected of disloyalty by his boss, a man-named Hogg in good Dick-ensian fashion who is a menacing and paranoid version of the character played by Edward G. Robinsoo in the

Lorimer is also beset with the problem of a new company director named Torquil Helvoir-Jayne, a figure with all the charm of a pit bull without the pit bull's loyalty

On the periphery of Lor-imer's professional world is a

3 THE TEN COMMAND MENTS, by Lanna Scalessinger and Stewart

OAVE BARRY TURNS

50, by Dave Barry....... LINDBERGH, by A. Scott

7 PURE DRIVEL, by Sieve

8 JUST JACKIE, by Edward

WORKING WITH EMOTIONAL INTELLI-GENCE, by Daniel

GOLEGIA CRIMES AND MISDEMEANORS, by

Ann H. Cosities 5 7

11 A PIRATE LOOKS AT FIFTY, by Jimmy Buffett 11 21

12 A WALK IN THE WOODS, by Bill Bryson, 12 22

13 ANGELAS ASSIES, by Sent McCont. 14 111

1 SOMETHING MORE, by Sarah Ban Breathmach. 2 THE BREAST CANCER PREVENTION DIET, by Robert Aribot 3 IF LIFE IS A GAME, THESE ARE THE RULES, by Cheric Caster Scott

ADVICE, HOW-TO AND MISCELLANEOUS

BEST SELLERS

beautiful actress named His birth name is Milomre Flavia Malinverno, unhappily married to a juggler named Gilbert from whom he tries to sisters, a mother and a grandmother, most of whom lean on him, the worldly success of

tional support.

mets, the helmers seeming though this is vague - to emblemize the armadillo of Boyd's title. He buys flowers from a shopkeeper named Marlobe, a furious, profane man who dreams of carrying out mass slaughter.

Lorimer is an insomniac and goes to a clinic called the Institute of Lucid Dreams. where he is treated by a psychologist named Alan Kenbarry. The doctor tells him: the undercurrent of moral "The lucid dream is, in a way, brutality of Lorimer's world." a vision of a perfect life ...

You want to enter that perfect world where everything can be controlled ... Rid yourself of that desire and deep slumber will return."

This panorama of eccentrics and knaves takes on a kaleidoscopic, almost manic quality in "Armadilio," which seems to have been written by a profane 1990s version of S.J. Perelman. But Boyd's zany, exaggerated untrustworthiness of others characters are endowed by and the overall precarioustheir author with a gift for the ness of a world where the kind of spicy dialogue that moral order appears as imkeeps them entertaining.

In one episode Lorimer

goes to a weekend party at the country house of Torquil Helvoir-layne, brilliantly, acidly fashioued by Boyd into a stunsteal her away. Then there is ning satire of British manners, Lorimer's family, including a circus of individual solan older brother, three older ipsism, conjugal aggression and generalized deceit, the country weekend from hell.

Hapless but intelligent, the family, for loans and emo- Lorimer watches as his world onal support.

Lorimer is oddly discon- coup that he scores in his nected from the British world work as a loss adjuster goes he has made his own, while awry, so that not only are the his family members seem just authors of a false insurance disconnected, period. When claim murderously angry at his mother calls one day to tell him but so, for some inexhim that his father has died, plicable reason, is his boss, she rushes to say: "Sorry to bother you, darling. Bye." death threats. Somebody Other ingredients: Lorimer torches his car. His pursuit of collects ancient warriors' hel- Flayia Malinverno runs aground. Lorimer does not under-

stand why his world is being torn apart, though he does know that for the most part his world is made up of bluster and hypocrisy. At one point he watches Hogg, who has just dismissed him, stride aff "with his burly bos swagger" and accept a car-root from the chairman of the company. The image captures

the undercurrent of moral A kind of redemption comes in the end for Lorimer. though it is a confused and ambiguous one. He tries to puzzle out exactly what west wrong, but neither he nor the

reader ever understands-exactly what has happened. Even at the very end, just hen Lovimer seems to have when Lorimer seen won the heart of Flavia, maiters remain uncertain. The ages in a fun house mirror. New York Times Service

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ASIA/PACIFIC

Food Shortage Worsening in North Korea

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क्षा के अर्थात के के प्रतिकार के किया है। जन्म

BEUING - Pamine in North Korea has now spread to affect government officials, who are forced to mix meager food rations with grass and acorns, se-nior Red Cross officials said Tuesday.

"The situation is critical," said Astrid Heiberg, president of the Inter-national Federation of Red Cross and Red Crescent Societies. "A generation of North Korean children is scarred for life, malnourishment is common and we seed to continue to mobilize resources to seem an even greater catastrophe. Speaking after a three-day tour of

North Korea, Ms. Heiberg arged the international community to continue its fight against starvation in the country, saying that even well-heeled officials were underfed. She said that grass, indigestible acoms and herbs were part of the diet for almost all North Koreans.

Ms. Heiberg likened such fare to 'cattle food' and noted that doctors

had reported a rise in stomach illnesses from the mixtures. The substitute food is often molded into noodles or small cakes and some mixtures contain only 50 percent digestible grains.

Ms. Heiberg said the food was often

produced in small "home bakeries" and distributed to nearby residents. "We even saw it was delivered in the ministries," she said.

Arloods and drought since 1995 have defastated North Korean agriculture. Its industrial production also has ground to a halt, along with foreign trade, leaving the once fiercely self-reliant country dependent on international handouts.

International aid agencies expect the grim situation to continue since the 1998 grain harvest is likely to reach just 3 million metric tons, or two thirds of North Korea's minimum requirement to feed its 20 million people, according to

the World Food Program.

Ms. Heiberg said the food shortage had also led to a breakdown of the country's health-care system. She said hospitals were unable to feed patients, many of whom suffered from stomach ailments because of the coarse food substitutes.

"What impressed me the most was a small hospital in the countryside that had 10 beds, but only food for three patients," she said. "So they only had three patients in the hospital even if the

demand in the area was great."
Ms. Heiberg said the Red Cross planned nearly to double its aid to bealth estitutions in the country next year, to 9 million.

Arsenic in the Aquifers The legal limit for croundwater arsenic content in Bandladesh is 0.05 milligrams per liter, but more than half of the country's 64 districts. report wells with levels exceding that amount. IN MILLIGRAMS PER LITER **30 - 0.05** 0.05 - 0.5 0.5-2

BANGLADESH: Safe-Water Program Has Poisonous Result

Bangladesh's 64 districts.

Continued from Page 1

sult in more arsenic-related deaths down the road in 5, 10 or 25 years. This really is a major emergency.

Babar Kabir, a World Bank hydrologist who is assessing the problem. believes he is being conservative when he estimates that 18 million people are now poisoning themselves.

In late August, the World Bank announced that it would provide Bangiadesh with a \$32,4 million credit for an arsenie mitigation project because "in a bizarre turn of events, tube wells have beeo secretly poisoning villagers." The government will use much of the money to test every one of the nation's 3.5 million to 4 million wells.

The World Health Organization's safety standard for arsenic in water is a maximum of 0.01 milligrams per liter. But some countries, including Bangladesh and India, consider five times that amount to be acceptable.

Early samplings have found this higher level of arsenic in parts of 43 of

Continued from Page 1

they can operate and whose candidates

must be screened by the military.
Since Mr. Suharto's s fall, scores of

new parties have emerged, and the as-sembly must now decide how many

parties to allow, how they will be reg-

istered, and whether any rules will be

gathered inside the Parliamen; hall, the

scene outside was one of coofusion, and

at times chaos, as competing forces vied

Truckloads of young men from the

outlying rural areas of Java, sponsored

While the government delegates

established to limit their number.

for control of the city's streets.

INDONESIA: Factions Take to the Streets

Water is everything to Bangladeshis,

the source of their bounty and cause of their cataclysms. In the wet summers, the snow melt from the Himalayas joins with ferocious rains in floods that can drench two-thirds of the land. In dry months, the sun can purch the paddies so badly that only famine wields a scythe.

Until the 1970s, most villagers drank from hand-dug wells or natural ponds that they often shared with bathing cows and water buffaloes. Cholera and diarrheal diseases flourished in this water and each year hundreds of thousands of deaths originated in the earthen pitchers that villagers carried to their porches.

To many, the solution to these onrushes of mortality were simple contraptions called tube wells. These are cylinders that are sunk into the ground. some with wide diameters for irrigation. others more narrow for pumping clean drinking water from the ever-replenished aquiters.

Unicef was the main proponent of these wells, creating its own designs and

ing the colorful blazers of their respec-

tive universities, threw rocks at each

At Proclamation Square, the scene grew more confused when thousands

more unemployed young men from the

surrounding slums poured into the

streets, generally siding with the students

and trying to attack the Islamic youths,

whom they accused of invading their

neighborhood. While heavily armed

marines preveoted the students from

marching, army soldiers surrounded the

We don't want a confrontation,

said Ricky Laksamana, a senior ai

Muhammadiyah University here, "We

are Muslim, too, but we don't want

Asked about the confusing array of

The military is in a tricky position as

it tries to manage the growing street

forces out on the streets, he replied:

vigilantes to preveot open warfare.

providing the materials to the Bangladeshi government, which, in turn, paid the drilling costs. "Never, or at least up to now did anyone expect arsenic to be in the ground water, said Aung Chein. Unicel's project officer for water in Bangladesh.

While some experts now fault Unicel for failing to do exhaustive testing, there is no denying that the tube well program saved millions of lives. Reliable statistics are hard to come by here, but there is general agreement that mortality rates attributed to diarrhea, the nation's major killer, have plunged.

Convinced with great effort that ground water is the safest to drink, villagers are now beginning to be told that this is not necessarily so. Some people react with outrage, some stoicism. Almost all are baffled.

In Bilkeda, 40 kilometers (25 miles) west of the city of Pabna and a long hike from anything that could be called a road. Salim Uddin Mondal said that yes, his well bad been tested and found to be contaminated. Still, he, his wife and their seven children use it.

His tifbe well, like his farm animals, was a sign of his relative prosperity. The nearest safe water was now 45 meters away, requiring either a trip through a neighbor's front yard or a shortcut through a stand of jackfruit. This was too much of an inconvenience for Mr. Mondal, even though arsenic had already disfigured his hands until the palms were

as hard and bumpy as cauliflower.
"If I die, I will die, but I will not go to fetch water from another man's house, be said as his family listened, nodding in agreement.

In nearby Char Ruppur, Belal Hossain, 17, suffers from nerve damage, an occasional effect of arsenic. His gair is crooked and his arms are bowed like a set of parentheses. His mother died on Sept. 25, and now he himself wonders what hard days lie ahead. He listened as his father described her death.

'Her fingers began festering and she had them removed,' said Maqbal Hossain, 'Then she got this cough. There was a burning sensation all over her body, especially the elbow joints. The sores never went away. These hurt her Jerrihiv There is no treatment for the poison-

ing, doctors say, though if a person stops drinking the arsenic at an early enough stage, physical decay can be arrested.

Meanwhile, Unicef and the govern ment continue to install tube wells. "We are wedded to safe water, not tube wells, but at this time tube wells remain a good, affordable idea and our program will go on," said Shahida Azfar, Unicef's chief representative in Bangladesh.

One change has been made: water is now tested for arsenic before and after any pump is installed.

EXPERTISE WITH RESPONSIBILITY

Cover-up Alleged In Anwar Sex Trial

KUALA LUMPUR — A police officer testified Tuesday that he coerced two key witnesses into retracting sexual misconduct allegations against

Sources: Deinichi Consultant Inc.; Harvard Arsenic Project; World Bank

Anwar Ibrahim, allegedly on orders from the former deputy prime minister.

Mr. Anwar, once in line to lead this country of 22 million people, has pleaded not guilty to 10 charges of comption and illegal sex acts. The testimony Tuesday focused on statements by Ummi Hafilda Ali, who has said that Mr. Anwar had sexual relations with the wife of his personal secretary. Miss Unimi is the sister of the secretary.

The court was also considering statements by Mr. Anwar's former driver, Azizan Abu Bakar, who claimed the defendant had sodomized him Both witnesses retracted their allegations in what prosecutors claim was a deliberate cover-up attempt by Mr. Anwar while he was still in office.

Officer Abdal Aziz Husin testified that he and other officers had subjected Miss Ummi to "intense mental pressures" to get her to retract the al-legations. That included interrogation "from mid-night to morning" and threats to jail her under a law that allows for indefinite detention without trial. He

that allows for indefinite detention without tral, He added that he and other officers used similar techniques on Mr. Azizan.

Meanwhile, Prime Minister Mahathir bin Mohamad dissounted the popular pressure against his 17-year rule but said he was already planning a gradual transition of power. "I would like to step down as soon as possible, but I have a responsibility to make sure that my successor can carry on where Heave off." Mr. Mahathir told CNN. He on where I leave off, "Mr. Mahathir told CNN. He said the specession would take at least a year and (Remers, AP) would be linked to elections planned for 1999.



Ummi Hafilda Ali exiting the courthouse Tuesday.



Officer Abdul Aziz said he coerced the retraction.

by an Islamic youth group and describing hemselves as a self-defense force, appeared in the capital Tuesday and took up

Islamic youths and the students, wear-

positions at the Parliament building and at Proclamation Square, the site commemorating the country's declaration of independence. Many of the Islamic youths came armed with sharpened oam-boo spears and appeared to move without restriction through the streets despite the heavy troop presence - leading to speculation here that they were being brought in by factions of the armed forces intent on countering the student protesters. In many ways, the street scenes Tuesday were a throwback to the chaotic

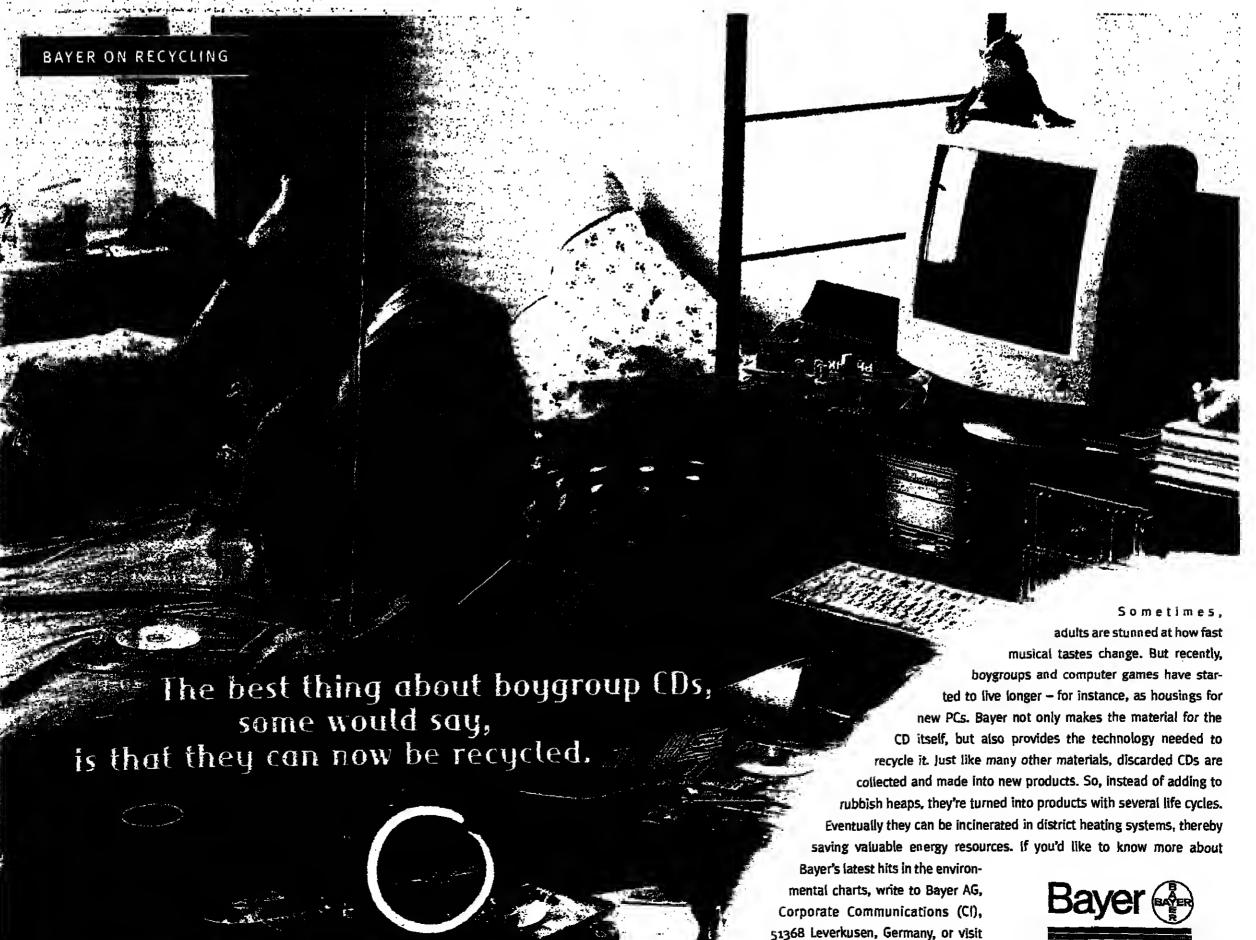
final months of the Sukarno government in the mid-1960s, when various factions jockeying for power used street protests as their vehicle for showing strength. Near the Parliament on Tuesday, the

On the one hand, its leadership is concerned about a slide into anarchy. and how any renewal of unrest on the scale of the May rioting could delay the country's hoped-for chance of an early recovery from its economic crisis. But the armed forces have lately been

We are confused, too!

discredited by reports of their involvement in human rights abuses like the shootings of four students at Trisakti University in May, the kidnappings and disappearances of political activists, even the May riots and the rapes of ethnic Chinese women.

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Beijing's Strident Rhetoric Sets Back Chances for Negotiation

By John Ponifret

BEIJING — The mouthpiece of the Communist Party assailed the Dalai Lama on Tuesday for not abandoning his goul of an independent Tibet and seemed to close the door on the possibility of negotiations between the Tibetan leader and the Chinese government.

In a strident editorial colored with the language of the political struggles of 30 years ago, the People's Daily accused the Dalai Lama of covering up his true "splitist" nature, manipulating the Western media to hide his true aims and "just playing tricks."

Ministry warned U.S. officials to shun the Dalai Lama during his weeklong trip

to the United States.
"We ask U.S. leaders not to meet the Dalai Lama to avoid harming China-U.S. relations," a ministry spokesman

The Dalai Lama was welcomed Tuesday in the White House by the first lady, Hillary Rodham Clinton. President Bill Clinton dropped by 10 minutes after the visit began. Later, the Dalai Lama was to meet with Secretary of State Madeleine Albright and Vice President Al Gore.

The editorial was the second and strongest statement made by China in a

the Palestinian president. Yasser Arafat,

signed last month at the White House.

cabinet was discussing the accord, known as the Wye River Memorandum.

The State Department spokesman,

James Rubin, said in Waslungton that it

was "understandable that there would be

a sort of pause" in moving forward after

the bombing. The accord sets the first

Israeli pullback for Nov. 16, though Mr.

Arafat said last week he had accepted Mr.

hich the two bombers died.

The United States, which brokered

Meanwhile, the Chinese Foreign week against the spiritual and temporal leader of the Tibetan people. The first statement was issued by the State Council, the top government body.

The statements cast doubt on reports over the past two weeks of progress between negotiators representing Beijing and the Dalai Lama. China has demanded that before it resumes formal talks with the Tibetan spiritual leader. he must first proclaim that Tibet is an inalienable part of China, that Taiwan is a province of China and that he will end all of his activities aimed at fomenting l'ibet's independence.

Lodi Gyari, the Dalai Lama's representative in Washington, announced this month that he was hopeful that the two sides could begin taking the first tentative steps toward arranging for the Dalai Lama to return to China for the first time in almost 40 years. Mr. Gyari said the Dalai Lama would not return directly to Tibet but rather journey to Mount Wutai. a Buddhist pilgrimage center in Shaanxi. a northern Chinese province, The Dalai Lama fled Tibet in 1959 following a Chinese crackdown on

Tibetan uprising.
But the People's Daily editorial criticized the use of such announcements as signs of "insincerity."

the deal, also has made clear it expects Israel to forge ahead despite Friday's attack. The explosion wounded 21 is-'In reality, there's nothing new in the Dalai Lama's recent show." the edraelis at a Jerusalem market while the itorial said. "There has been no change in his persistent view backing Tibetan The militant group Islamic Jihad has claimed responsibility for the attack, in independence."
The Clinton administration, specif-

ally officials on the National Security Council, have made a rapprochement between the Dalai Lama and China an important goal of Washington's rela-tions with Beijing.

During a June summit meeting with President Jiang Zemin, Mr. Clinton publicly urged the Chinese leader to resume formal talks with the Dalai Lama.



The Dalai Lama, right, with Ethel Kennedy at the Robert F. Kennedy Human Rights Award ceremonies in Washington. The Tibetan spiritual leader's ongoing U.S. visit has drawn fire from the Chinese government.

Chinese troops entered Tibet in 1950 and for nine years the Dalai Lama's government and the Communist Party lived in an uneasy association until an abortive Tibetan uprising.

■ Taiwan Defends Stand on Chinn

President Lee Teng-bui of Taiwan used a rare visit by a U.S. cabinet official Tuesday to make his case for rejecting China's attempts to assert sovereignty over Taiwan, The Associated Press reported from Taipei.

The government of Taiwan "not only exists, but also strenuously upholds de-mocracy and freedom, "Mr. Lee told Energy Secretary Bill Richardson, according to a statement from the Taiwan presidential office.

Beijing has complained to the United States about the visit, which it says violates agreements that Washington has made with Beijing to have nothing but unofficial contacts with Taiwan. Mr. Richardson assured Mr. Lee that Washington's support remained steady,

although his presence here has been interpreted as a U.S. effort to undo the damage done in the summer, when President Bill Clinton went to Shanghai and said he would not back Taiwan's efforts to assert itself internationally, Taiwan residents believed that Mr. Clinton's remarks would encourage Beijing to try harder to isolate Taiwan.

Mr. Richardson said Tuesday that Washington supported Taiwan's entry into the World Trade Organization on its own economic credentials. China insists that Taiwan not precede it into the WTO, which sets rules for global trade, but U.S. officials attending an economic conference Tuesday said Washington would not attach political

considerations to Taiwan's entry.
Mr. Lee told Mr. Richardson that Beijing must recognize Taipei as an equal partner in dialogue to permit real progress in their halting steps toward a return to negotiations about improving ties between the two rivals. The talks were suspended by China more than three years ago.

Tarwan rejects China's call for it to recognize Beijing's sovereignty, even symbolically, and condemns Beijing's refusal to acknowledge the island's Na-tionalist government. China considers the island a breakaway province.

Mr. Richardson is only the third cab-

inet official to visit Taiwan since the Clinton administration decided in 1994 to sanction trips by technical and economic officials.

The ultimat

on Cell +37 256 545 77? OF fax +37 20 281 57 21 Radionizewns.ni or write to D Bor 2013, 3500 GP-Utrecht, The Netherland

BRIEFLY

Turkey Warns Iraq On Aid to Kurds

ANKARA — Turkey's deputy prime minister, Bulent Ecevit, accused Iraq on Tuesday of stepping up support for Turkish Kurd sep-aratists and said Ankara was ready to take action if it felt its security

He alinded directly to Turkey's successful campaign of military threats against Syria, which last month resulted in Damascus pledging not to allow rebels of the Kurdish Workers Party to find

refuge on its territory.

Thousands of Turkish troop backed by a local Kurdish miliniant pursuing the rebels deep inside northern Iraq, a Kurdish-held enclave outside Baghdad's control since the end of the 1991 Guif

New Rebel Forces Reported in Zaire

KINSHASA — President Laurent Kabila is facing a new rebellion in the home province of Mobutu Sese Seko, the former dictator, local newspapers and diplomats said Tuesday.

Two Kinshasa dailies said Jean-Pierre Bernba Gombo, son of a Congolese tycoon, Bemba Saolona, had started a rebellion Equator Province with the goal joining forces with gnerrillas battling Mr. Kabila with the backing of Rwanda and Uganda. The elder Mr. Bemba disavowed any involvement with the reported rebellion.

World Bank Sets Storm Relief Fund

WASHINGTON — The World Bank said Tuesday that it would redirect existing loans to provide \$201 million in immediate assistance to Central American countries devastated by the hurricane designated Mitch. Of the total, \$100 million will go to Hondaras, \$60 million to Nicaragua, \$21 million to Guatemala and \$20 million to El Salvador. The bank said this total Salvador. The bank said this total did not include any future support under emergency loans it is pre-(Reuters)

Israeli Official Sees Progress On Approval of Peace Accord

JERUSALEM — Israel's cabinet probably will meet Wednesday to vote on the new interim peace accord with the Palestinians, a senior Israeli official

Israel halted discussion of the landfor-security deal last Friday after a bomb attack in Jerusalem. It said ministers would not reconvene until they were satisfied that the Palestinians would wage "all-out war" on anti-Israel militants.

"We are expecting certain things from the Pulestinians in relation to the war against terrorism and we hope to get these by the end of the day." the official said Tuesday. If we do, then the chances are good that we'll convene Wednesday, he said.

He added that the cabinet would

probably vote on the deal Wednesday, allowing Parliament to start its endorsement debate on Thursday.

The accord provides for the phased handover of 13 percent more of the West Bank to Palestinian self-rule over 12 weeks, matched by specific Pales-tinian steps against violence.

The Israeli official would not specify what information Israel was awaiting from the Palestinians, calling it "sensitive." A senior Palestinian security official, Rashid Abu Shabak, said Israel had not made any precise demands and alleged that Prime Minister Benjamin Netanyahu was "playing games."

Palestinian officials have expressed frustration at Israeli delays in endorsing the accord, which Mr. Netanyahu and

Violence Disrupts Municipal Elections in Israel

Netanyahu's request for a delay.

JERUSALEM — A rash of violent incidents marred Israeli municipal elections Tuesday as a host of independents and small parties competed with major political groups for posts often seen as stepping stones to national political prominence.

Israeli radio reported more than 300 incidents of physical assault or properry destruction linked to the elections. being held in 161 towns and cities

more than 180 times, with 84 of the incidents occurring in Tel Aviv. where seven candidates were running for mayor and scores for positions on the municipal council.

In Lod, near Tel Aviv, shots were fired at a car bearing posters for one candidate, slightly wounding one man, while in southern Israel a campaigner was run over and injured by a car from a rival camp, the police said.

The chief of the national police, Yeacross the country.

The police said they had intervened most violent in Israel's history. huda Wilk, said the election was "the

Analysts attributed the high number of incidents both to a general increase in social violence in Israel in recent years and to the large number of candidates and rival parties contesting the polls. A rash of arrests also marred voting in East Jerusalem, where Palestinian

leaders had called for a boycott of the election, which seen as legitimizing the Israeli annexation of the Arab sector of the city.

The police arrested eight Palestinians for trying to prevent Palestinian residents from voting.



EUROPE

Europeans Bridle at U.S. Handling of Kosovo

By Roger Cohen
New York Times Service

n Aid to Kurd

New E hel Form

Report din Zun

World Bank Ses

Storm Relief Fund

BERLIN . - When Richard Holbrooke reached an agreement last month with President Slobodan Milosevic of Yugoslavia to avert North Atlantic Treaty Organization air strikes in Kosovo, the German government waited two days for a copy of the accord before finally squeezing one out of the Yugoslav Embassy in Bonn.

"It was almost funny," a senior German official said, "if it was not so worrving. There seems to be very little

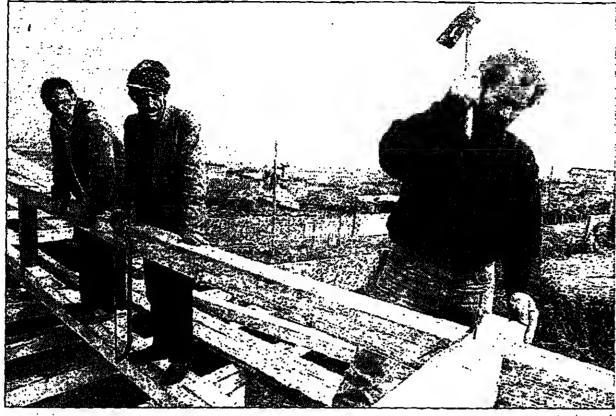
worrying. There seems to be very little willingness to treat the Europeans on an equal footing. Our impression is some-times that the Americans prefer to cut us out and that they are no longer capable, intellectually speaking, of being part of

As with Bosnia, Kosovo has once again sharpened tensions between the United States and the European Union over security issues, revealing a European incapacity to mount a concerted response to a crisis in Europe without

American leadership. Wheo the Balkan wars began in 1991, the Europeans at least had pretensions of resolving the crisis themselves. Foreign Minister Jacques Poos of Luxembourg, representing the European Un-ion, uttered the famous phrase, "The hour of Europe has dawned."

But as fighting raged in Kosovo this summer, senior European officials conceded, there was not an inkling of a coherent European response, even as the Continent prepared to take a decisive step toward greater economic union. The vacuum opened the way for Mr. Solbrooke's whirlwind negotiations and then deep European misgivings about continuing American domination of security issues in Europe almost a decade after the end of the Cold War,

We get criticized for too little leadership in Europe and then for too much," Mr. Holbrooke said. "The fact is the Europeans are not going to have a common security policy for the fore-seeable future. We have done our best to keep them involved. But you can imag-ine how far I would have got with Milosevic if I'd said, Excuse me, Mr.



Ethnic Albanians repairing the roof of a damaged house in the village of Kisna Reka in Kosovo on Tuesday.

President, I'll be back in 24 hours after I've talked to the Europeans."

Western officials said the Eoropea were particularly incensed by Mr. Holbrooke's failure to attend a meeting of the five-nation Contact Group on Oct. 15, two days after the agreement had

It was that group - made up of Britain, France, Germany, Italy, Russia and the United States -- that formally gave Mr. Holbrooke his mandate to

been reached in Belgrade.

negotiate with the Yngoslav president. Although the U.S. deputy secretary of state, Strobe Talbott, attended the meeting, European officials felt that they had been slighted.

Almost a week later Mr. Holbrooke made a special trip to Paris to have dinner with Foreign Minister Hubert Vedrine of France in an effort to make amends.

Europeans were also angry at how the appointment of an American, William Walker, to head the mission to Kosovo of the Organization for Security and Cooperation in Europe had been decided. "We provide two-thirds of the expense and the personnel, and then the appointment is made with almost no

consultation," said an official. At one point, angered by what was seen as a lack of consultation by the Americans on Kosovo, the top British official in the Foreign Office made a formal protest to the National Security

Council, officials said. Mr. Holhrooke said the European protests were generally overblown or

insignificant expressions of frustration and masked a reality of fruitful cooperation, "It took us four years to put together anything effective in Bosnia and four monthing the Kosovo," he said, "That is progress."

The chief American negotiator in Kosovo, Christopher Hill, has been working closely with Wolfgang Perrisch, the Austrian ambassador to Beigrade who is representing the European Union, because Austria holds its rotating presidency. Moreover, Britain, France and Germany are putting the final touches on a 1,500-member "extraction force" to be based in Macedonia, bordering Kosovo. That force would, it necessary, protect the observers in the mission headed by Mr. Walker.

Prince Philip's Tour of Ireland Seen as Royal Overture

By James F. Clarity

DUBLIN — In a gesture clearly intended to advance the Northern Ireland peace effort, the Duke of Edinburgh. Frince Philip, visited both parts of Ireland today and said he hoped for an end to the "rather artificial divisions" separating the people of the Irish Republic and the British province of Ulster.

visit here within the next year by his wife. Oueen Elizabeth II.

A visit by the queen would be the first to the Republic of Ireland by a reigning British monarch since the south of the island became independent in 1922. The Oneen's grandfather, King George V, visited Dublin in 1911.

A royal visit to the Irish Republic had been an unthinkable event until the new peace effort began five years ago. In 1979, the Queen's cousin, Lord Mountbatten, was killed in an Irish Republican Army attack on his yacht off County Sligo, on the west coast.

But on Tuesday, as Prince Philip was chatting with President Mary McAleese of Ireland and Prime Minister Bertie Ahern, two Republican women prisoners convicted of conspiring to attack British security forces were released

early from a prison in the north as part of the peace agreement approved in the North and the Republic in the spring. President McAleese is to join Queen Elizabeth on Wednesday in a ceremony at Messsine, Belgium, honoring the sol-

diers who died in World War L.
More than 200,000 Irishmen fought in the British army during the Great

and the British province of Ulster.

Prince Philip's visit is widely seen in the Irish Republic as a precursor to a

At that meeting, Queen Elizabeth and President McAleese are expected to discuss a royal visit to Dublin. At that meeting, Queen Elizabeth and

The visit included poignam ironies: his meeting with President McAleese was at the presidential mansion in Phoenix Park, the former residence of British colonial rulers.

Prince Philip also attended a ceremony at Dublin Castle, the seat of Brit-And when he visited the prime min-

ister at government buildings in central Dublin, Union Jacks flew in the brisk

Irish national radio reported that the prince said he hoped for the end of the "rather artificial divisions," separating north and south. A national radio commentator said the visit was "a step toward closer relations between Britain and Ireland."

While Ireland and Britain have had generally cordial official relations in



Martina Anderson, an IRA prisoner who was freed along with Ella O'Dwyer from a Belfast jail on Tuesday, embracing her mother. They were the last women IRA prisoners to be released under the peace agreement.

recent years, there is a residual trish resentment of English culture.

In Belfast, Roman Catholic and Protestant leaders continued to disagree over the issue that has slowed the peace effort, the disarmament of the IRA. The overwhelmingly Catholic guerrilla organization has observed a cease-fire for 16 months, but wants to hold on to its

the spring of 2000.

The Belfast agreement approved last spring does not require disarmament until the agreement is fully enacted in

U.S. Proposal Outlines Kosovo Power-Sharing

By R. Jeffrey Smith

ROME - After being deprived of political power in Yugoslavia for the ast nine years, the ethnic Albanian population of Kosovo Province would gain access to at least a fifth of the seats in the national assembly under the latest U.S. draft plan to settle the Kosovo crisis.

The plan would also give the Kosovo Albanians — who have a 9-to-1 majority among the 2 million people in the province — an opportunity to assert their influence through a representative on the Yugoslav federal court and membership

on the Supreme Defense Council. The confidential U.S. draft states clearly that Kosovo authorities would be autonomous and allows residents of the region to elect their own president, enact their own laws, collect their own taxes, form their own police force and establish their own civil and criminal courts. In short, it would give Kosovo Albanians substantial control over their

But the proposed agreement has been greeted coolly by the Yugoslav govern-ment of President Slobodan Milosevic, which just wrapped up an eight-month military campaign to crush a separatist movement in Kosovo -- a province of

Serbia. Yugoslavia's dominant republic. It has also met resistance from some ethnic Albanians — including commanders of the armed separatist group known as the Kosovo Liberation Army - who argue that it does not go far chough to sever the province's 85-year-

old connection to Serbia. Many ethnic Albanians say they want written assurance that the province's legal status can be changed, which the draft does not provide. It also does not guarantee that Kosovo would have its own constitution and does not grant Kosovo the status of a republic within Yugoslavia — something that U.S. of-ficials judged neither Serbia nor the Scrb-led Yugoslav government would

accept.

Buried in its text are dozens of issues that remain hotly disputed in Belgrade—capital of both Yugoslavia and Serbia — and among ethnic Albanian lead-ers, with most of them far from res-olution.

Included are many symbolic ques-tions, such as who will control the names of towns and the wording of street signs, as well as more fundamental matters, such as how much power will be reserved for the Serb minority in Kosovo and who will control the privatization and profits of Kosovo's factories and mines.

Building a government from scratch is "indeed a hard job," said Christopher Hill, the U.S. ambassador to Macedonia, who has taken a lead role in efforts to cobble together a polinical deal aimed at halong violence in Kosovo that has claimed more than 800 lives and uprooted at least one in every six inhabitants of the province.

Mr. Hill, who helped draft the Dayton agreement that ended the 1992-1995 conflict in Bosnia, said that his current

task is "far more difficult." But he said that the latest draft went

preny far in getting Serbia out of the institutions of Kosovo. Mr. Hill also said he was pleased the two sides were now reacting to each

U.S. proposal with detailed comments, even if they had been unwilling to engage in direct talks thus far.

Mr. Hill's strategy in receot weeks has been to set aside the most con-

tentious issues until the final stage of

negotiations, in hopes of getting each side to agree on the framework of a deal

BRIEFLY

before getting bogged down in details. That means that a series of annexes - setting forth how police forces will operate, how economic matters are decided and how elections are to be con-

ducted - have not yet been drafted. Although an agreement between Mr. Milosevic and Richard Holbrooke, the special U.S. envoy, last month called for elections in Kosovo hy next summer, for example, there has been no agreement on the timing of a census that must be carried out well in advance of the vote. Ethnic Albanians say such a tally could be grossly distorted by the flight of residents out of the province this year to

escape the government offensive. Paul Williams, an American University professor who formerly worked on Balkan matters in the State Department's Office of Legal Advisor, said that earlier U.S. drafts had offered the Kosovo Albanians less political power than they had from 1974 to 1989—a degree of autonomy that many Albanians in the province now say is inadequate. Ethnic Albanian leaders also had denounced earlier U.S. efforts as a tool of Serbian interests.

Kosovo was stripped of that autonomy by Mr. Milosevic — who was president of Scrbia at the time — and since then its ethnic Albanians have boyconed all national elections and govemmental processes. As a result, most of the federal law makers from the province are hard-line Serbian nationalists.

Some U.S. officials have speculated that if Kosovo Albanians elected their own representatives to the federal assembly they might join representatives of Montenegro — Serhía's much smaller partner in the Yugoslav federation to weaken Mr. Milosevic and possibly

engineer his downfall. The ethnic Albanian negotiating team has described the latest U.S. draft as the first to provide an adequate foundation for negotiations. Among its other provisions are a detailed list of "human rights and fundamental freedoms" that go well beyond those available to citizens of Serbia in general — including freedom of expression and assembly and the right to "security of person."

Police Seize Copies Of Belgrade Paper

The Associated Press

BELGRADE — The police impounded all 100,000 copies of Tuesday's edition of an independent Belgrade daily newspaper for allegedly breaching Serbia's restrictive media law.

Despite the crackdown, the owner of the newspaper, Dnevni Tele-graf, vowed to keep publishing.

The police action at the newspaper's headquarters late Monday came after the daily failed to pay a fine of 1.2 million dinars (\$120,000). A Belgrade court ruled Sunday that Dnevni Telegraf's editors would have to pay the fine for "publishing information inciting destruction of the constitutional order."

The move against the newspaper, known for its criticism of President Slobodan Milosevic, was the latest in a series of crackdowns on Serbia's fledgling independent media since the adoption of a restrictive media law last month. Slavko Curuvija. chief editor of Dnevni Telegraf, said he would continue printing the paper in Bulgaria, Hungary, Bosnia or the Yugoslav republic of Montenegro.

EU Moves Forward on Expansion Plan

Detailed Negotiations Open With 6 Leading Applicants, Including Cyprus

BRUSSELS - The European Union regred a new stage of its ambitious castward expansion plan on Tuesday, opening detailed negotiations with the six front-running candidates.

"Today we opened the actual negotiations: nothing can stop the train, Foreign Minister Wolfgang Schuessel of Austria said at news conference after

The Associated Press

raeli and U.S. officials joined rep-

resentatives of a private foundation Tuesday to rededicate the synagogue

near the Auschwitz death camp.

nearly 60 years after it was confis-

"Our goal is to re-create a per-

manent structure symbolizing Jewish

life in a place which for too many years

has only represented Jewish death."

said Fred Schwartz, founder of the.

Auschwitz Jewish Center Foundation.

New York City, is carrying out res-

toration of the synagogue in Os-

was used antil 1939, when Nazi troops

entered Poland. After World War II, it

In March, Polish authorities re-

turned the small, turn-of-the-century

building to the local Jewish commu-

was seized by the Communists.

The Londei Mishnayor Synagogue

wiecim in southern Poland.

The foundation, which is based in

cated by the Nazis.

Synagogue Near Auschwitz

Rededicated After 60 Years

OSWIECIM, Poland - Polish, Is- provide restitution of former Jewish

religious property.

history in Poland.

some \$10 million.

derly man.

nity, the first facility to be restored Auschwitz-Birkenau camp complex.

membership. "It is a very important day for Cyprus," Foreign Minister Ioannis Cassoulides said, adding that he hoped the talks would eventually embrace the divided island's Turkish part, which has declined an invitation to participate.

Separate meetings were to be held during the day with the other five front runners, Poland, the Czech Republic, Hungary, Slovenia and Estonia.

EU foreign ministers had met Cyprus, one of the six leading candidates for EU Cook, said the event represented yet The British foreign secretary, Robin

under a government program to

The American foundation is col-

lecting funds to renovate the syn-

agogue, which until recently was used

as a carpet warehouse. An adjoining

building is to become a museum and

cultural center for the study of Jewish

would take up to two years and cost

Mr. Schwartz said restoration work

Before World War II, 7,000 Jews

worshipped at a dozen synagogues in

Oswiecim, a town of 11,000 people,

where the Nazis built the Auschwitz-

Birkenau coocentration camp during

The Nazis destroyed the other 11

synagogues in the town, which now

has only one Jewish resident, an el-

More than 1.5 million people, 90

percent of them Jewish, perished at the

another milestone in the 15-nation bloc's plan to embrace the former Communist bloc and the Mediterranean island of Cyprus.

Five other eastern European countries - Lithuania, Latvia, Slovakia, Romania and Bulgaria - are also waiting the wings, having been put on a slower train to membership.

The first round of negotiations, which follow months of serutiny by applicants of the hundreds of thousands of pages of EU law, will cover seven areas where the candidates expect little difficulty in adapting to EU requirements.

In some areas, like education and research, no problems have been identified that need negotiating. Talks on more controversial sectors such as agriculture will start later.

While Mr. Cassoulides told the news conference Cyprus believed it could enter the EU in 2003, EU members, not least the new German government, are increasingly talking in terms of a first expansion in 2005 or 2006.

■ Greece Renews Threat of Veto

Greece will make good on its threat to veto enlargement of the European Union if some of the bigger EU states block the accession of a divided Cyprus. Agence France-Presse reponted Tuesday from Athens, quoting the Foreign Ministry.
"Cyprus's EU accession process con-

stitutes a political strategy of major importance to Greece," the Foreign Minsecretary-general, Kranidiotis, said in a statement.

Greece "will not agree to the future enlargement of the European Union if Cyprus does not form part of it." He was reacting to a joint statement

issued in Brussels on Monday by France. Germany. Italy and the Netherlands warning they would block any nttempt to integrate the Mediterranean island in the absence of a political settlement.

Support for French Spy Suspect

PARIS - A dozen retired French soldiers held a public demonstration of support Tuesday for a French Army officer who was arrested last week on charges of spying for

The army backs the Serbs. Release Major Bunel," read a banner unfurled near the Defense Ministry by the demonstrators, who claimed to belong to "an armed forces

Major Pierre Bunel, 46, was detained for allegedly turning over NATO air-strike plans to agents from Belgrade last month. He faces 15 years in prison if convicted of handing intelligence data to a foreign nation.

Italian Banker to Be Exhumed

ROME -- The body of Roberto Calvi, the powerful Italian banker found hanging under a London bridge in 1982, will be exhanged in December to determine if he was murdered or committed suicide, judicial sources said Tuesday.

Public prosecutors set Dec. 16 as the date for the exhumation of the corpse of Mr. Calvi, whose murky death 16 years ago sent shivers through Italian society. An autopsy will be performed after his remains are exhumed from a Milan cemetery.

Mr. Calvi fled Italy after the country's largest private bank, Banco Ambrosiano, went bankrupt with debts of about \$700 million. He was chairman of the bank. He was later found hanging under Blackfriars Bridge in central

A British coroner's report that year found that he had hanged himself. But his family in 1992 forced an inquiry into his mysterious death after gathering evidence suggesting he was hunted down by the Mafia.

A Minute of Silence for Ataturk

ISTANBUL - Turkey paused for one minute Tuesday in mark 60 years since the death of Mustafa Kemal Ataturk. who founded the secular state.

Police and military helicopters bovered over Ataturk's mausoleum in Ankara where leaders gathered to lay wreaths amid fears of attacks by Islamic militants or Kurdish separatists.

Military officers, war veterans and state officials jostled with reporters for space inside the small room in an Ottoman palace in Istanbul where Ataturk died on Nov. 10, 1938. All stood at attention as sirens wailed at 9:05 A.M. - the time

at which the man known as "the great leader" died. Traffic lights turned red across the country, and drivers got out of their cars and stood silently.

Rumer Godden, Prolific Writer, Dies at 90

The Associated Press

LONDON - Rumer Godden, 90, a prolific author whose imagination was fired by living io India, has died,

Miss Godden, who published her 21st novel, "Cromartic vs. The God Shiva," last year, died Sunday in a nursing home near her daughter's home in Thornhill, Scotland, said Suzanne Baboneau, a spokeswoman for Macmillan, Miss Godden's publisher. The cause of death

was not announced Miss Godden had her first major success with her third novel, "Black Narcissus," published in 1939. The story of a group of nuns who establish a convent in northern India explored themes of cultural conflict and obsessive love, and

was made ioto a film starring Deborah Kerr in 1947.

"The River," published in 1949, was one of her most acclaimed books and

was made into a film by Jean Renoir. Margaret Rumer Godden was born Dec. 10, 1907, in the English city of Eastbourne. She was 9 months old when

her family moved to India, where her father ran a shipping line. "Our house was streaked with Indian or Indian streaked with English," Miss

Godden wrote in "Two under the Indian Sun," a memoir co-authored with her sister Jon Godden in 1966. "It might have been an uneasy bybrid, but we were

completely and happily at home." Miss Godden returned to London at

age 20 to learn how to teach dance to children, and opened a school back in India. She fell in love with a stockbroker, Laurence Sinclair Foster, became pregnant and married him.

Returning to England while she was pregnant, she wrote her first book, Chinese Puzzle," published in 1936.

The bahy died at birth, but the illsuited couple later had two daughters. The marriage ended in 1941, and Mr. Foster left her penniless and alone in Calcutta. "I have distrusted charm ever

since," Miss Godden once said. She returned to England to stay in 1945, and made a happy second mar-riage in 1949 to James Haynes-Dixon, a civil servant. He died in 1973.







Renew Pressure on Iraq

against Iraq, the Clinton administration seems ready to abandon the sevenyear-old United Nations weapons inspection program there. That would be a premature and costly decision. Though slowed by Baghdad's obstruc-tions and evasions, the international weapons specialists working inside Iraq have provided an effective first line of defense against Saddam Hussein's efforts to produce and hide us-

able germ and nerve gas weapons.

The new policy Washington is contemplating, which would seek to restrain Iraq from ever using toxic weapons rather than preventing their development, would be far more risky. Given a free hand, Iraq can quickly rehuild a deadly assortment of weapons. Records uncovered by the inspectors show that at one point Iraq had produced about 2,000 gallons of anthrax bacteria and nearly 5,000 gallons of botulinum toxin. It also produced at least four tons of VX nerve gas, which can kill with just a few drops. A substantial portion of Iraq's chemical arsenal has been destroyed under international supervision in recent years, hut the joh of locating and eliminating its immense stockpile of germ weapons remains far from complete.

Iraqi use of such weapons against its neighbors would invite an overwhelming conventional American military response. It would be far better to ensure that such a confrontation never materializes. The administration should make at least one more concerted effort to reimpose the UN inspection system, which Iraq halted by decree late last month.

Washington's first steps should be diplomatic, building on the Security Chuncil resolution last week that unan-

demanded that Baghdad stop interfering with the inspectors. But getting the inspectors hack to work may require a punishing, carefully targeted cam-paign of air and missile strikes on Iraqi

military targets.

After Iraq's defeat in the Gulf War. Baghdad accepted peace terms that required it to identify and destroy all elements of its biological, chemical and nuclear weapons programs and all but its shoriest-range missiles. Iraq never fully complied with these obligations. But hy conducting surprise inspections and confronting Iraqi of-ficials with independently obtained evidence, the inspectors managed to unearth most of Iraq's weapons secrets.

Diplomacy backed by the threat of force has moved Saddam Hussein before, and may again. If it does not, Washington will have no choice hut to launch missile strikes and bombing raids aimed at the pressure points of his dictatorship, including bases of elite security units like the Special Repub-

The goal would be to persuade the Iraqi leader to cut his losses hy letting the inspectors go back to work. The risks that such action would fracture international support for continued economic sanctions against Baghdad are much reduced. Saddam's recent actions have left him diplomanically isolated.

Washington has a few more days to

see whether diplomacy works. During that time, the administration shauld move additional weapons into the Gulf, reginn, including Stealth fighters and hombers. The inspection system will permanently cullapse only

Washington lets it. -THE NEW YORK TIMES,

IMF Is on the Right Track, Even With Adjustments,

WASHINGTON — The Interna-tional Monetary Fund has come under heavy crincism in recent months both for its handling of global financial contagion and its proposals for defend-ing against future crises. While many of the critics have offered constructive advice, at times the discourse has lost sight of the facts - and the true significance of the proposed remedies.

First, the sources of the continuing Asian economic crisis - and its cures - are more complex, and run deeper, than is generally recognized. They ori-ginated in serious deficiencies in national ecocomic policies and in major flaws in the international financial sys-tem. Admittedly, it does seem almost unimaginable, even in retrospect, that so much could go wrong so quickly for the economies in Asia.

The very success of these economies, however, made it especially difficult for political leaders in the region to accept the quiet counsel (yes, possibly too quiet!) of the IMF, the World Bank and other institutions to reform their financial systems and correct the glaring deficiencies of corporate governance.

In a recent article, ("The IMF's Remedies Arc Doing More Harm Than Good," Opinion, Oct. 5). Henry Kissinger suggested that shortcomings such as cronyism and corruption were little more than the "cost of doing business" in these countries. In fact, they were the rot at the core of economies that appeared almost unhlemished on the surface. Competitiveness and confidence in Asia had already begun to slip as insolvencies at banks and South Korean husiness groups became known. But that decline reached Mach speed after governments failed to take decisive action. Temporizing measures taken primarily to defend pegged exchange rates soon proved ineffective.

Many outside observers have mis-

Many outside observers have mistakenly assumed that the content and pace of structural reform measures

Thailand, foreign-exchange reserves takenly assumed that the content and pace of structural reform measures

Thailand, foreign-exchange reserves the content and bave been rebuilt, exchange rates have strengthened and current accounts show

Thailand, foreign-exchange reserves idents Fernando Henrique Cardoso of contributed to Brazil, Kim Dae Jung of South Korea ington Post,

By Michel Camdessus

were unwelcome concessions to the IMF. Of course, there was, and confrom powerful interests that would have gladly opted for some illusory "quick fix." But there was no disagreement at the working level that structural reform was indispensable for restoring domestic and international confidence and achieving a sustainable economic recovery. To address this crisis, the IMF had to put together comprehensive programs in emer-

gency situations. And they include considerable adaptations. For example, the IMF countries in Asia and elsewhere to

Macroeconomic elements of programs have also been adapted. Fiscal

targets have been eased, sometimes despite the misgivings of fiscally conservative governments. Most important, had we known that Japan's economic slowdown - the crisis within the crisis - would worsen, we would have pressed earlier for greater fiscal easing in some countries.

The basic approach - which included tightening monetary policy at the outset to stop the free fall of exchange rates, then subsequently easing interest rates as stabilization was achieved proves to have been appropriate. Pos-inve results are becoming increasingly evident even though economies have fallen into recession. Interest rates have come down sharply in South Korea and

tries, Russia and too many other countries did not do was build sound financial systems quickly enough and give enough attention to the proper phasing and sequencing of capital account liberalization. Their 'dis-orderly' liberalization now threatens to give liberalization itself an undeserved

bad reputation.
But orderly liberalization is the correct ultimate goal. While there may be merits to maintaining temporary, lim-ited restraints on short-term capital flows, they still resemble the Maginot Line: difficult and costly to construct, astonish-

ingly easy to avaid. To my 'Disorderly' liberalization great surprise, Mr. Kissinger acthreatens to give tually snggested that the IMF "too liberalization an undeserved bad name.

often compounds social safety net measures to help ease the impact of austerity on the poor.

Macroeconomic alexandres stability" and "weakens the political instructure" in countries it seeks to help hy urging "nearly invariable remed-ies" that "mandate austerity" and in-

clude reforms that are too ambitious. Recent history - in Asia, Latin America and Europe — contradicts the notion that political leaders can gain favor by avniding needed economic reform. Political leaders who have failed to grasp the nettle of economic

stabilization and reform have been swept from office. Leaders, especially those who are democratically elected, who have ignored vested interests and tackled economic problems, explain-ing to the public why painful measures are required, have not only survived bot achieved the economic turnarounds their countries required. The world is fortunate, indeed, that the best of modem political leaders do not cower when

impressive surpluses. What Asian coun- and Carlos Saul Menem of Argentina,

among a long list.

Now we have another great task before us in improving the architecture of the global financial system. A formi-dable, but achievable, agenda for reform was laid nut last month at the annual meeting of the IMF in Washington and endorsed by the G-7 govemments. Greater transparency of econamic information and policy making at both the national and international

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levels is the top priority.

The IMF itself has come a long way in increasing its nwn transparency, and we are committed to going further. Pressing ahead with strengthening government systems for supervising and regulating financial systems is an other priority. The IMF will be leading that effort, working clusely with the World Bank, national authorities and other institutions.

The private sector will need to be engaged more fully and constructively. in both crisis prevention and working out financial solutions for crises when they happen. This is a complex area that will require imaginative thinking and extensive cooperation. The IMF will still need to make major financial commitments to support policy reform packages, hopefully in most cases, such as Brazil, to head off actual crisis situations. So I am greatly encouraged that Congress has approved the U.S. share

of increased resources for the IMF.
All of these ideas are likely to become part of the consensus on international monetary reform that I expect to see emerging in coming months. Thus, we can look forward with confidence to a sounder global financial system to underwrite greater prosperity in the 21st century.

The writer is managing director of the International Monetary Fund. He contributed this comment to The Wash-

Livingston's Prospects

Boh Livingston will apparently be the next speaker of the House. It is less clear who will hold the other Republican leadership positions. Our sense is that Mr. Livingston may be not just a sleadier and more constructive leader hut a far more farmidable ane than his nverrated predecessor. He certainly

has the chance. The future speaker is a creature of the appropriations process. Newt Gingrich, whom he will succeed, skipped nver more senior members to have Mr. Livingston lead the Appropriations Committee in 1995. The appropriaturs in both houses have reputations, partly deserved, as accommodative types who care less about partisanship than about the comradely dispensation of goodies and the orderly passage of their annual bills, which the goodies help to facilitate. In fact, they have a much more disciplined history than this good-of'-boy reputation suggests.

A disproportionate share of the fiscal discipline that has been achieved in recent years has been in the third of the budget subject to the appropriations process. Rather than cut entitlements, presidents and Congress have found it easier to support economy in the abstract hy imposing prospective caps on appropriations. The appropriators have had to apportion the annual pain, and they have

pretty well stuck to their assignment. Unlike some of their showier colleagues, they tend as well to have an appreciation of the detail of government operations. They are not without their philosophical differences, but they know better than most what given programs they can safely yield and what they need to continue to operate effectively. That, too, serves as a discipline. Part of the "vision" that Mr. Livingston will bring to the speakership will be an appropriator's awareness of what the ideologues would cast aside.

If he behaves as his history suggests be will, be risks losing at certain junctures the support of his party's lockstep conservatives, same af whom oppose his candidacy. The math is such that he will be able to give up only five vntes and maintain his majnrity. He will have to prospect among the Democrats for votes. Democratic support will be needed in any case to pass legislation able to survive a veto.

The question is not just how Mr. Livingston will play his hand next year but bow the Democratic leadership and the conservatives within the Democratic caucus will play theirs. Who can split whose caucus? That will be the art form in this Cangress, and part of the test of Mr. Livingstan's leadership.

- THE WASHINGTON POST

EU's Journey to the Future Might Take Much Longer

ONDON - Negotiations on the enlargement of the European Union began Tuesday with the first wave of applicants from Eastern and Central Europe — the Czech Republic, Estonia, Hungary. Pnland and Slnvenia — and

Much has been expected of these negotiations. Same acclaim the reuniting of Europe half a century after the Yalta Conference sealed its division between East and West.

Others point in the massive reinforcement the European Union will receive; its membership will rise from 15 to 25 - 26 if the tensions between the Turkish and Greek sides on Cyprus is overcome - and its population will increase from 373 million to 467 million, dwarfing that of the United States.

Many rejoice that this expansion will force the EU to streamline its machinery rapidly and overhaul some of its wasteful policies. The scale of these benefits, the perennial optimism of the human race and the fact that the screening process got off to a good start have encouraged talk in Brussels of a target date

By Roy Denman

for admission of the first wave around 2002 nr 2003. Anyone who believes in this timetable would believe in the

Wizard of Oz. To begin with, who in the EU from Cyprus. Preparations for negotiations are no course with a second, less-advanced tier: larly eloquent and has placed Latvia, Lithuania, Slovakia, enlargement high on British pri-Rumania and Bulgaria. enlargement high on British pri-nrities for Europe. Germany has lang been keen on bringing into the EU its traditional Central and Eastern European markets. And it was only to be expected that Denmark, Sweden and Finland would support the admissinn of their Baltic neighbors.

But everynne in Brussels suspects that the British want enlargement to make the EU so unwieldy as to be unmanageable and in destroy the Common Agricultural Policy.

Moreover Britain, Sweden and Denmark, will not be in the inner circle of European decision-making while they are outside the single currency. It is German influence, at the heart of euroland, that will

be far greater. Now Gerhard Schroeder, the new German chancellor, is uneasy about a flow of low-paid labor from the East, and he will be concerned even more than his predecessor about how much

Germany will have to pay.

Indeed, finance remains a mainr problem for a number of EU members. The European Commission has reckoned that the EU will not oeed to spend more than 1.27 percent of its gross national product, its cur-rent expenditure limit, even if five or more new members jain in the next few years. This looks like the original cost estimates for the Channel Tunnel. The total GNP of all potential entrants from the East at present amounts in little mare than half that of the Netherlands.

For these countries to survive in a huge, fiercely competitive, price-transparent economy wunld be as difficult as Peru and Ecuador facing complete inte-gration into the United States. Afternine years of pumping in 5 percent of German GNP into what was East Germany, those Länder would still not be viahle if they were independent states. The cost of hringing all 10 new entrants from Central and Eastem Europe up to Western standards would be huge.

Shrewdly, the French have seen this. They are small net contributors to the EU hudget and are determined not to become major mes. So they have already asked the European Commission to draft a full "political" assessment of the states who benefit most from structural funds in the EU

budget — Spain, Purtugal, Italy, Ireland and Greece. ties (two elements on the income side of the EU budget) are ignored — on the grounds that these revenues are due directly to the EU and not to the individual member states - then the picture of relative contributions becomes radically differ-

ent and even more in Germany's

disfavor than the figures recently

released by the Commission. Based simply on the other two elements used to finance. the budget - a share of the value-added tax collected and a sbare of GNP - then Germany is revealed as the only substantial net payer by a buge margin. Its real net contribution on this calculation in 1996 was a colossal 7.4 hillion ECU, compared with the next largest, the Netherlands, with a net contri- ... The writer is a former repbution of less than one billion resentative of the European ECU. In addition Germany has Commission in Washington. He

enlargement negotiations, a has already announced it will move interpreted by the Commission as a bid to slow the nancing the EU budget. And it missing as a bid to slow the nancing the EU budget. And it negotiations. This is bound to be supported by the member an end to the generous rebate enjoyed by Britain. The scene is set far a long and

bitter struggle. Finance is by an means the only headache of en-But it is Germany that faces largement. Agriculture, unfair the biggest problems with the competition, free circulation of financing of enlargement. If ag-ricultural levies and import du-trols of the new member state. will be among the many problems to be faced. The trouble with high-flown rhetoric is that when it meets reality it can lead

There is no need to despair about ending the division of Europe. Formidable though the problems are, they are not in-sunnountable. But reconstruction after half a century of communism will take longer than the speechmakers have proclaimed. The first wave may not be full members for another 10 years; the second wave substantially later.
It is always well, before em-

barking on a journey, to have a realistic idea of how long it will take..

had to meet the heavy cost of its contributed this comment to the own reunification. So Germany International Herald Tribune.

Poisonous Words in Russia

Economic conditions in Russia are bound to produce unsettled politics. But no economic troubles could excuse a resurgence of anti-Semitism. This is a poison with a long pedigree in Russia, hut one that has been hiessedly missing for the most part in the cauldron of post-Soviet politics. Now it is, at least for the moment, back in the mix. Albert Makashov, a retired general,

Communist extremist and leader of a 1993 rebellion against President Boris Yeltsin, said last month that "yids" should be hlamed for Russia's economic collapse. Given the source, the comment was not a surprise. What was worrying was the flabby response from the Communist Party and its leader, former and perhaps future presidential candidate Gennadi Zyuganov. The party's refusal to condemn the hateful rhetoric is hardly compatible with its desire to be seen as a modern, social democratic party deserving of respect.

It's a good sign that the strongest condemnations of Mr. Makashov's remarks have come from inside Russia, starting with a firm statement from Mr. Yeltsin himself. Some critics have gone too far, though, demanding that

the Communist Party now be banned. Russians have convincingly and repeatedly demonstrated that they do not want a return to communism. The party attracts perbaps a fifth of the electorate in opinion polls, and its demonstrations, even at a time of extreme hardship, draw pitiful crowds. But in deny that fifth of the electorate its place at the political table would neither suppress anti-Semitism nor serve the interests of democracy.

To a large extent, the latest fracas in

Mascow must be seen in the context of electoral politics. Mr. Yeltsin, ailing and absent from day-to-day governing, is no longer much of a factur. Parties and candidates are jockeying for position for an election scheduled for 2000. This campaign is taking place in a painful environment of falling incomes, rising inflation and broken hopes, under the guidance of a government that seems to have no idea how 10 begin to right the economy. All this will stress tolerance and civility as never before. So far, Russia's young democratic institutions are holding. They deserve Western encouragement,

- THE WASHINGTON POST.

The Republicans' Luck: Chance for a Course Correction

Washington — The cover of this week's Economist features a picture of a beaming Bill Clinton and the headline "Oh Lucky Man." Another lucky beneficiary of the Nov. 3 election is a tall congressman from Louisiana named Boh Livingston, who appears certain to become the next speaker. But luckiest of all may

be the Republicans themselves. The results could not have been better. While the Republicans lost five seats in the House, nnly the secund such midterm failure since the Civil War, and picked up name in the Senate, the party still retained control of Congress, and its near-death experience led to:

(1) The departure, at long last, of Newt Gingrich, who was fine as a revolutionary but, like Robespierre, miserable as a (2) The understanding that to

win elections Republicans have to stand on a true agenda specifically, cutting taxes and holding dawn spending. (3) The conclusion that the

religious right is a paper tiger unable even to re-elect governors in Snuth Carolina and Alabama. The political power of Christian conservatives is a long-running myth, perpetrated nnt just by the right but also by Democrats seeking to frighten the vast majority of Americans. (4) The knowledge that

voters want affability, compassion and optimism in politicians — as Ronald Reagan proved and Governor George W. Bush last week reaffurmed. The party's congressional spokesmen, by contrast, were often snarly, dark and comhative -happy to dance an President Clinton's grave, dug, they

By James K. Glassman

wrongly believed, hy the Monica Lewinksy scandal. But the higgest mistakes for the Republicans involved

policy. They went along with bolstering outlays by \$21 bil-lion, failed to pass a tax cut. surrendered on financing the International Monetary Fund and set terrible precedents such as using federal dollars to hire teachers and subsidize farmers.

As Appropriations Committee chairman, Mr. Livingston bears some of the hlame. The question now is whether he has learned the lesson that Newt Gingrich did not. Mr. Livingston claims he was dragged kicking and screaming to ca-pitulation last month. Still, he admits he would have spent \$10 hillion of the surplus, rather than \$21 billion. He also supported the highway bill, a veritable banquet of pork.

His main complaints about Mr. Gingricb involved manage-ment. The speaker, he tald me, set a schedule this year that guaranteed disaster. With not enough time in pass spending bills, Mr. Gingrich, fearing another government shutdown fiasco, caved in in the president. Meanwhile, Mr. Livingston says, the House stayed in session so long that Republicans

did not have time to campaign. Well, that is a rad disingenuous, carning from the only guy, besides Mr. Gingrich, who could have pushed through spending bills in the summer, allowing Republicans to sharpen their differences with Mr. Clinton without having to engage in a losing game of

Sure, Mr. Gingrich was no

chicken in October

preciate a few simple economic ideals. a belief that an issueless campaign chuld win, a failure nf nerve in negotiating with Mr. Clinton and (fair or not) a lousy image with voters. What about Bob Livingston? Does he have the right stuff? As someone who has known him

manager and, despite his fond-

ness for military history, no tac-

tician. But his major failures

were strategic: a failure to ap-

for a quarter-century, I think so. First, like Mr. Clinton, he has luck on his side. He was first elected to Congress after the Democratic victor in his state was sent to prison for vote fraud. He won a huge prize when, in 1995, appointed by Mr. Gingrich, be became chairman of the most powerful House committee even though he was far down in seniority. Earlier in this term, he decided to retire, then changed his mind. Meanwhile, Mr. Gingrich's lieutenants staged an abortive coup, and suddenly Mr. Livingston became the speaker's likely heir.

Second, Mr. Livingston is a truc believer in free-market economics. Still, do not mistake him for Chris Cox, who bowed out of the race Sunday and whose views on limited government make him practically a libertarian.

Third, Mr. Livingston passes the tough-but-affable test. He loses his temper — though it is often just an act — hut he is a genuinely friendly, open, optimistic guy who works well with Democrats. A pro-life Catholic, he has consistently resisted the pressures of social conservatives. And he showed in early spending bottles that he

The hig problem is that Mr.

has backbone.

Livingston, at heart, is an appropriator, steeped in the culture of pork trading. He once told me that there were three categories of spending: things ynn need, things you do not need and things you would like to have. Unfortunately, with a budget surplus created by a flood of tax revenues, items in the "like to have" category can now be had.

In fact, "like to have" is the wrong criterion. The federal government has discrete functions, powers enumerated in the Constitution. It already does too much, and until this year any-

way, Mr. Livingston deserves some credit for trimming it. My guess is that Mr. Livingston will be a good speaker, perhaps even a great one - but only if he sticks to economic principle. If he thinks the justisstrictly managerial and in the gives free rein to his appropriator pals, then he will suffer the unpleasant fate of his late benefactor. And it will be richly

The writer, a fellow at the American Enterprise Institute, contributed this comment to The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Heated Cabs PARIS — "They who go down to the shaps in cabs" will be

gratified to learn that M. Blanc. Prefect of Police, has taken serious measures to prevent the public from being suffocated by the vapor of burning charcoal or coke on the "voitures chauffées." The police bave received instructions to see that the conditions required by the law are strictly complied with. The clause of the law is: "That charcoal or briquettes are not to be used to warm carriages; unless the apparatus containing those substances are so ar-

side the vehicle.

1923: Prince's Return BERLIN - The former Crown Prince returned into the Fatherland, which he has not seen. since his flight into Holland after

the defeat of the Imperial armies. exactly five years ago. As far as his journey through Germany is concerned. Chancellor Stresemann insisted only that he should travel in a closed car and proceed directly to the Hohenzollern estate in Silesia. The Crown Prince has also agreed formally to accept the regime of the German Republic as it is now constituted and engages not to attempt any political activities

1948: Armed Typists

BERLIN - Those least bellicose of all public servants, the young ladies who push away ranged that the gas caused by endlessly at stenotype machines while people are making statethe combustion is given off nutments, have been ordered to carry firearms by authorities in the Soviet Zone of Germany. The stenotypists, employed by the east-zone police, have also been ordered to attend regular target practice sessions and must wear uniforms.

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OPINION/LETTERS

*Celluloid Stereotypes of Islam: Thought-Provoking, or Dangerously Offensive?

By Edward Zwick

That is how the American-

Arab Anti-Discrimination Committee has chosen to characterize my film ""The Siege" in a letter sent to every major media outlet in the America. The group's objections are based on the film's depiction of radical Islamic terrorists who have chosen to attack the United States. What the critics are saying,

To shrink from any sensitive subject is to deny an important function of art.

as best as I can understand it, as best as I can understand it, our fear of the "other."
is that any portrayal of the life Only then, if push ever embassy bombings in Kenya can be portrayed only in their

most positive aspect. Even though members of the organization's official position has been to attack if as promoting stereotypes, a stand also taken by other Arab-American groups.

But what, exactly, are these stereotypes? The Arab-American community is as diverse and divided against itself — ive aspects of our country, politically, religiously, so — And the truth sometimes hurts. cially — as any vibrant com-munity in the United States.

Americans as cops, landlords, people with families, community leaders — and, yes, ter-rorists. In fact, the film (in which growing fear leads to the wholesale internment of Arab-Americans) is about sterectypes, about what happens when stereotypes are played but to disastrous effect.

groups like the American-

poor that any negative depiction, even if part of a balanced whole, is inherently perilous.

This argument has been promulgated before, by Jewish Americans, Italian-Americans and many others. It is a timehonored expression of the insecurity of any new immigrant nization to group, so worried about the complain, goers are pains of acculturation. But the Mine is to make films. I yet again introduced to Islam logic, so emotionally persuasive and understandable, is, 1 am afraid, finally as reductionist and disrespectful as the im-

puted offenses that it protests. about Arab-Americans, that the distinction between them and terrorists must be understood before we Americans. as a nation, can grapple with

of Muslims that includes rep- comes to shove in the new resentations of violence - no war against terrorism, will we matter how well documented be able to respond prudently - is not only offensive, but and with conscience. The film also inflammatory. Forget the makes clear that even in the World Trade Center and the fight against vicious and committed enemies, the ends, and Tanzania; their position, if they include the deprivation simply put, is that all 1 billion of civil liberties to any group, of civil liberties to any group, Islamic people in the world can never justify the means.

. If "The Siege" engenders a dialogue on ethnic stereotyping, on terrorism, on the this group who saw "The increasingly cloudy legal Siege" have privately told me landscape between personal they were moved by the film, rights and the public interest, then it will have accomplished far more than I might ever have imagined for a Hollywood thriller.

Movies about aliens and asteroids cannot offend anybody, but neither do they try to bold up a mirror to unattract-In what a friend of mine calls the new American hurt game, And this film portrays Arab if you are not offended by somebody, you are nobody.

These days, it seems, people wake up in the morning not only waiting to be offended but also hoping to be offended. Central to any multicultural orthodoxy is the notion that, unless you are offended, you have no ontology.

I imagine the U.S. Army Beneath the objections of also might be offended by its portrayal in the film. Maybe Anti-Discrimination the CIA, and Congress, and Committee. I sense a fear that Bill Clinton, too. But I do not

expect they will protest. They are used to it by now. The S ANTA MONICA, Cali- the image of Arabs and beauty of a pluralistic society, formia — "Insidious, in- Muslims in America is so I have always been taught, is that it can contain the giving that it can contain the giving and taking of offenses.

This overheated chorus of lamentations began, tellingly, before the film was ever seen. But it is the job of an anti- afraid that it is life that may

ing them. What I am trying to do as a filmmaker is to look at the world. And to write about The single conclusion what I see. To shrink from the Siege draws is that it any subject because it is hunis impossible to generalize ful or politically sensitive or politically incorrect, or Islamically incorrect, is to deny one of the most important functions of art. which is to

am not accustomed to defend-

be provocative. So, I'm sorry I offended anyone. But I'm really not.

Edword Zwick is a director. writer and producer whose films include "Glory" and Legends of the Foll." He contributed this comment to The New York Times.

By Ibrahim Hooper

would have us believe that art is merely imitating life in the film's portrayal of crazed Muslims killing hundreds of innocent New Yorkers. I am

imitate art, however. MEANWHILE as moviethrough a relentless barrage

of terrorism and violence. Yes, the film does have a few positive lines of dialogue about Islam. But it is far more effective at linking Islam to terrorism. For example, the ritual washing that Muslims must perform before praying is used to cue the audience to impending bloodshed.

In one instance this act of religious observance precedes a shot of a detonator being inserted into a bomb; another time, hand washing is quickly followed by a shot of a terrorist leader strapping explosives to his chest.

impression that every Muslim the Muslim world.

WASHINGTON — Pro-ducers of "The Siege" student, business owner and the Muslim population that activist should be considered most moviegoers have seen a possible threat.

One Muslim whom the film initially portrays as coopersting with the U.S. government turns out to be a terrorist. The clear message is, "Doo"! must them." In defending the 'Arab community," the character played by Denzel Washington says. "They love this country as much as we do." Just who does he mean by "we" and who are "they"?

Most of the Muslims portrayed in "The Siege" also have total disregard for human life. They seek out the most vulnerable in society: ehildren and the elderly. In his review of "The Siege," Roger Ebert of the Chicago Sun-Times wrote that "prejudicial attitudes embodied in the film are insidious, like the anti-Semitism that infected fiction and journalism in the 1930s - not just in Germany, but in Britain and America."

The producers say the film makes clear that the terrorist Other images, characters images and associations reand juxtapositions give the flect only the lunatic fringe of

is about the only segment of found offensive. most moviegoers have seen for decades.

fanatical Arabs who detonaled a ouclear warhead in the Florida Keys in "True Lies." When American Muslim groups took their complaints about "True Lies" to 20th Century Fox, the studio only tacked a brief disclaimer onto the end of the credits stating that the film did not represent the actions or beliefs of a par-

ticular eulture or religion. Much of the negative reaction to "The Siege" could have been avoided if American Muslim organizations had been consulted from the beginning. My organization became involved only after concerned Muslims in New York called our Washington office inquiring about "Is-lamic graffiti" being used by film crews in their neighbor-

We met with Edward Zwick, the director, and plex than that. Lynda Obst, his co-producer. but they decided to alter arson attacks on American The New York Times.

sions, they insisted that "The udice every day. At work or Siege" dispelled stereotypes on the street, Muslims are the Consider the ruthless rather than reinforced them Muslim skyjackers of "Ex- and that the movie took pains ecutive Decision" and the to make a case for preserving people's civil liberties.

But it seems likely that the average moviegoer may be slow in getting that message. One critic noted that at a preview screening, the audience cheered as the military officer played by Bruce Willis tortured a suspect

Moviegoers are introduced to Islam through a relentless barrage of terrorism.

and then calmly shot him." I am not saying that people will leave theaters and attack the next Muslim they see. The reality of life for American Muslims is more com-

There have been random

This "fringe," however, only a few scenes that we mosques and assaults on our children. But we also feel the Throughout our discus- accumulated ugliness of prejtarget of taunts about being terrorists. Muslim women who wear head scarves routinely face job discrimina-

tion. Muslims are frequently

siopped for "random" security checks at airports. In response to Muslim and Arab criticism of the film, Mr. Zwick has said that anti-defamation groups are in the business of seeing defamation everywhere. One has to wonder whether he would have said the same thing about the Ann-Defamation League or the National Association for the Advance-

ment of Colored People. Movies that reinforce the stereotypes of Moslims are still seen by much of America as a reflection of reality, not as the gross simplifications that they are.

Ibrahim Hooper is the national communications direcfor the Council on Americon-Islamic Relations, He contributed this comment to

Much Low

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at way water . Sept. 32. 3 1. Secretary . Bry Brand of the

urse Corre

Now that the people have spoken, dare we hope that the editorial writers of The New York Times and The Wash-Bill Clinton? The one-sidedness of their pronouncements in the Monica Lewinsky case has deeply offended many readers: unrelenting criticism of the president, insufficient concern about the special pros-

debacke appears to ignore what was surely a major factor in their lack of voter support.

While it is true that Newt Gingrich was calling the shots as

the Starr report and the video of Bill Clinton's testimony.

were launched into the realm

of "infotainment" with the

clear aim of damaging the

president, Mr. Gingrich ap-

The Republicans' claims

that the voices of U.S. voters

are now coming through loud

and clear so far have not been

accompanied by an apology to

the people and to the president

for their participation in the

most repulsive piece of par-

tisan politics of this century.

JOE WILLIAMS. Düsseldorf.

ecutor's inquisitorial tactics. Vox Populi Is Heard As wiser commentators such as Anthony Lewis have The clamor to place blame understood from the outset, for the Republicans' election these tactics do far greater

It works every time - you violate agreements - they threaten major . force - you talk a little, wait a little -

LETTERS TO THE EDITOR

than do Mr. Clinton's lies about his private life. CHRIS G. PETROW. Neuilly-sur-Seine, France.

harm to American democracy

Apparently the outcome of the election came as a surprise to many in the United States. I was not surprised. As a sudent at Princeton Univer-sity in the mid-1950s, I witparently had 100 percent backing from his colleagues. nessed the decline and fall of Senator Joseph McCarthy, The cathartic ability of American society, when things have gone too far, is indeed asding - and reassuring.

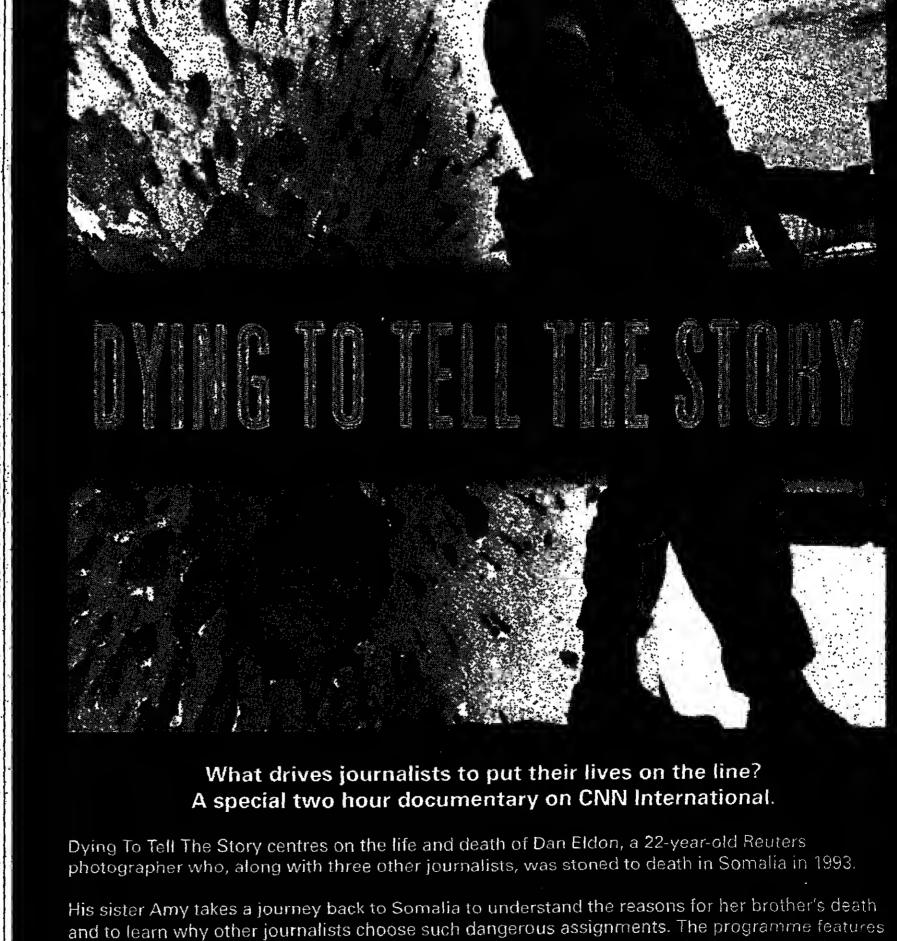
OLE BIERRING. Copenhagen.

By Any Other Name

Every Channel-crossing Frenchman, his self-confidence destroyed by having to get off the train at Waterloo Station ("Will Britain Face Train Station?" Nov. 6). would stand tall again if the Britons simply added a byphen, changing the name of

Geneva.

ingion Post will let up a bit on Its Waterloo Over Namesake the terminal to Water-Loo. ROBERT A. KLEIN.



interviews with frontline journalists including Christiane Amanpour and Martin Bell as well as

AVAILABLE ON CABLE AND SATELLITE

photo-journalists Mohammad Shaffi and Carlos Mavroleon.

Dying To Tell The Story will be broadcast on CNN International on Friday

December 4th at 22.00 CET and again on Sunday December 6th at 20.00 CET.

By Tom Buerkle ional Herald Tribun

LONDON - Since Christine Keeler's affair with John Profumo almost brought down a government in 1963, sex has been a staple of British political life, selling newspapers by the millions and striking fear into the bearts of

After a brief interlude at the start of Prime Minister Tony Blair's government, sex has stormed back into the beadlines in the last two weeks, with the resignation of one cabinet minister after an unexplained incident in a gay cruising area and the subsequent "outting" of two other senior ministers as homosexuals.

The events bave shown that the rules of the game are changing. The two ministers have stayed in their jobs with strong support from Mr. Blair and other cabinet colleagues, and the largely indifferent public reaction suggests that Britons are taking a cue from the American response to President Bill Clinton's affair with

kept separate from public policy.

The media frenzy — led by the tabloid Sun — and the government's attempt to respond to it, "shows that good old-fashioned English hypocrisy," said David Allison, a spokesman for the gay acovist group Ourage. "The Englisb have never accepted sexuality, or for that matter sex, as something that is O.K."

The sex debate began when Ron Davies, then minister for Wales, was robbed of his car and wallet after meeting a stranger in a London park known as a cruising area for gay sex. Mr. Davies, who is married and has a daughter, has denied any sexual activity was involved, al-though the police reportedly are investigating whether be was blackmailed after seeking sex.

Whatever bappened, Mr. Blair obtained Mr. Davies's resignation even before news of the incident became public. The move recalled the demand by Mr. Blair's aides last year that For-

that the government either knew more than it let on, or showed a puritanical unwillingness to tolerate even the whiff of scandal.

thew Parris, a political columnist who happens to be homosexual and a former Conservative

delson was "certainly gay."
Mr. Mandelson bas declined to comment on his personal life, despite some surprising encouragement to do so from The Sun, the tabloid that built its reputation on sex and scandal. "The British people will not turn on Man-

delson because he is gay," the newspaper said in for ministers to be openly gay. an editorial. "It's rather like the situation in the States,"

Last weekend, however, Agriculture Minister Nick Brown announced his homosexuality and gave details of one former relationship after The Sun's sister offe, the News of the World, threatened to expose the relationship. And on In spite of a call by Lord Tebbitt that hosexual."

Nick Brown's constituency of East Newcastle. "Ido Charles but we want to keep our private lives private." "but I of a call by Lord Tebbitt that hosexual." But the developments have sparked public eign Secretary Robin Cook choose his wife or threatened to expose the relationship. And on

The government swung to Mr. Brown's defense, and Deputy Prime Minister John Prescott plerate even the whiff of scandal.

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Reverberations quickly spread when Mat
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Other analysts ridiculed the notion of a gay ring inside the government, noting that Mr. Brown's member of Parliament, announced during a tele-vision interview that Trade Minister Peter Man-delson was "certainly gay." only previous claim to notoriety was being the close ally of Mr. Mandelson's arch-enemy, Gor-don Brown, the Chancellor of the Exchequer.

The majority of Britons also appeared nn-perturbed. A poll published in The Guardian newspaper on Tuesday found that 56 percent of respondents considered bomosexuality morally acceptable, and 52 percent said it was acceptable

said Colin Wappat, the Labour Party secretary in

debate about the role of homosexuals in government, and it is a sign of the morally ambiguous times that politicians remain unsure of how to deal with sex even as they insist that private lives be the morally ambiguous times that politicians remain unsure of how to deal with sex even as they insist that private lives be the morally ambiguous that the government either knew more than it let the front-page headline, "Are we being run the number of homosexuals in government unsure of how to deal with the government either knew more than it let the government either knew more than it let the government of the morally ambiguous affair. (He divorced his wife and married his mistress).

The government of homosexuals be banned from sensitive ministries the number of homosexuals in government unsure of homosexuals in go to soften the party's image and reach out to minority groups.

"The public has been more sensible than the

media," said deputy leader Peter Lilley. "They don't imagine that politicians are very different on average from the rest of the population, or are there to be a role model."

And yet the headlines persist. The latest right-wing argument against Mr. Blair's Labour Party is that it is too "metropolitan," a code-word for libertine social attitudes deemed objectionable by the mainstream.

When a Daily Telegraph columnist, Tom Utley, wrote 10 days ago that he found ho-mosexuality "nasty and wrong," the paper said it received 600 letters supporting his views and

only 10 opposed.
"I don't think people are queer bashers," said Charles Moore, editor of The Daily Telegraph, "but I do think people are mildly anti-homo-

GERMANY: Schroeder Issues Call

Continued from Page 1

amazed to find debts amounting to \$600 billion, far greater than they had assumed. He said interest payments alone would consume 1 out of every 4 Deutsche marks in tax income, requiring further austerity steps.
His plans were immediately attacked

by the conservative opposition, which claimed that Mr. Schroeder was exaggerating the situation to justify his failure to come up with a sound budget.

All style and oo substance," said Wolfgang Schaeuble, Mr. Kohl's successor as head of the Christian Democrais. He called the government's program "badly prepared and remarkably vague on content."

Business leaders have also criticized the lack of audacity in Mr. Schroeder's

economic program.

Hans Olaf Henkel, bead of the Federation of German Industry, bas warned that the failure to provide sufficient tax relief could accelerate the flight of investment capital out of Germany, thus

Mr. Schroeder said his government would reduce income and corporate taxes by nearly \$9 billioo over the next naturally be respected and profour years. He vowed to summon em- tected" as Germany and 10 ployers and trade union leaders soon in other partners move toward a "alliance for jobs" that he described single European currency unemployment and rebuild a broad so- mon currency must be a succial consensus that made Germany the cess. That means it must be and world's third-largest economic power.

Throughout the election campaign, Mr. Schroeder emphasized his reputation as a pragmatic Social Democrat who jobs, possibly through such knew how to work with business. But with much political clout concentrated in the hands of Oskar Lafontaine, the road and rail networks, Mr. party chairman and finance minister Schroeder said Germany's fiwho is widely considered a dogmatic nancial troubles would also leftist, Mr. Schroeder's rhetoric about require changes in the way the working with the private sector to mod- European Union spends and emize the German economy has fallen collects its money. well short of reality.

Faced with snch constraints at bome. Mr. Schroeder has turned his attention to paying contributions that fighting Germany's economic problems ara European level. He has quietly urged greater cooperation from Europe's central banks in loosening their tight money policies, but he distanced himself from Mr. Lafontaine's public challenge that central banks should cut interest rates immediately to bolster growth.

Instead, Mr. Schroeder said the in- year to Berlin from Bonn. dependence of the central banks "will



worsening the unemployment problem. Finance Minister Oskar Lafontaine, left, and Foreign Minister Joschka Fischer congratulating Chancellor Gerhard Schroeder, right, following his inaugural speech before the German Parliament on Tuesday.

must remain stable." he said.

While urging a coordinated public works projects as the building of new high-speed And, be said that Bonn

on his intention to sustain continuity in Germany's foreign and security policies after the government is transferred next

"To some people, Berlin sounds ton



would no longer tolerate Former Chancellor Helmut Kohl eating chocolate during Mr. Schroeder's address.

first German chancellor with no concapital moves from the sleepy Rhineland town to this metropolis 88 kilometers nine of its immediate neighbors.

amount to 70 percent of the EU budget. Prussian, too authoritarian, too central- (55 miles) from the Polish border has Although his two-hour discourse was largely devoted to looking at ways to invigorate Germany's slnggish economy, Mr. Schroeder put special emphasis at the exact opposite of this."

Trussian, too central (35 miles) from the Poish border has ized," he said. "Our totally nonaggress-raised anxiety among many of the country's traditional allies who fear its potential impact on Germany's priorities and allegiances.

But Mr. Schroeder went out of his nection to World War II and the shift in way to stress that his government wanted Germany's center of gravity when the to maintain the present equilibrium of

D'ALEMA: Call to Reinterpret Maastricht

Continued from Page 1

the homework that Chancellor Kohl as-We were good, and now the European economy and the European people deserve to be rewarded."

made these points:

Bank of Italy to cut rates by half a percentage point as soon as our 1999 the economy, to give it fresh impetus. The investment climate has a fresh impetus. He called for discussions between

the European Union and the United • He said the International Monetary

more proactive and less restrictive in their policy prescriptions,

• He announced plans for a new package of labor-cost reductions and tax in-

centives to favor business investment in southern Italy. Italy's depressed South, saying his govemment hoped to unveil these "early in the New Year."

Asked to comment on German proposals to establish a global system of that is one of our most important targeted exchange rates to reduce the goals." nev markets the other hand a completely unregulated system would also be dangerous."

Instead, he called for a smaller-scale agreement between the United States and Europe, saying, "It is necessary to have an accord because if we have too much oscillation between the dollar and the euro, it would be destabilizing. We want a stable euro, not an overvalued

euro. Mr. D'Alems termed the global economic crisis "worrying, above all be-cause it shows the fragility of the system and because not all of its effects have filtered through."

He said much would depend on

whether Brazil's social-security program "holds" as the government adopts ansterity measures, and on whether Brazil can avoid a currency devalu-

How long it will take for Japan's fiscal stimulus and bank rescue measures to induce recovery will also be critical questions, be said.

The IMF and World Bank, he said. had played an important role in the response to the financial crisis, but now signed to us. We brought public spending under control. We lowered inflation. and a more proactive strategy to countries' facing problems. In the case of the Asian crisis, Mr. D'Alema said there had been times when "the sick patient had In the interview, Mr. D'Alema also the flu, but they amputated the foot ande these points: • He echoed calls by German gov- cipline imposed on these economies in return for Fund bailouts.

pressed, also in psychological terms."

Mr. D'Alema's aides have conceded States that would lead to an agreement to in recent days that weak domestic delimit the volatility of exchange-rate fine-mand and the effects of the global crisis tuations between the dollar and the mean that the Italian economy will grow euro.

mean that the Italian economy will grow by less than the 1.8 percent official fore-

Fund and World Bank occided "more In the interview, Mr. D'Alema an-political guidance" and needed to be nounced his intention to introduce a new package of measures, by February or March, that would reduce labor costs. and provide tax incentives aimed atstimulating investment and job creation in :

Acknowledging that employer contribution charges are too high, Mr. D'Alema said, "This government is aiming to reduce the cost of labor, and

D'Alema said, "It would be illusory to measures, which will become part of a think of a system that is too rigid, but on social pact he is hoping to seal among the government, trade unions and industry, would also include "new ways to cut down on red tape and bureaucracy for business, to simplify the life of entrepreneurs.

Asked to respond to calls by the Bank of Italy and Italian industry to make fresh cuts in the state pension system, Mr. D'Alema balked, saying, "There will come a time to review the pension reform we did in 1995, but we also need to preserve social harmony."

He said Italian unions had been "among the most responsible in all of Europe," and he cited as proof a 1993 accord that has kept wage increases be-low the rate of inflation.

"We are now trying to renew the 1993 agreement. Why should I stick my fingers into the eyes of the workers at this moment?" he said.

"I understand everyone's position, but we need to keep social harmony because the cost of social conflict could be higher than the cost of pensions."

WAL-MART: Germans Fear New Rival

Continued from Page 1

company's profit for the first nine months of its financial year to a record \$2.87 billion, up 28 percent from a year "By no means can we afford to un-derestimate Wal-Mart," said Guenter

Fergen, a board member at the German discount retailing chain Lidi & Schwarz GmbH. "They are flexible and want to expand.

Since the Wertkauf deal, Germans have been speculating about where Walalready is the biggest discount retailer in both Canada and Mexico, it is not expercent, a trade group reported. pected to settle for being a niche player in Europe.

Promoting its plans to open 70 to 80 one-stop shopping centers outside the parking lots at supermarkets. United States next year, Wal-Mart does little to blunt the rumors, although the stretch the family budget as far as they secretive company declines to comment can," Mr. Ingram said. "They come in on concrete plans. Wal-Mart invites speculation by saying that it aims for about 30 percent of its earnings growth in the next is a trend for morn-and-pops to be three to five years to come from outside squeezed," said Keith Wills, a retail jump in sales in 1997, to \$105 billion.

Aggressive price competition is new to Germany. Regions where Wertkauf Germany, Wal-Mart - deliberately or duce prices and lure customers with new world's second-biggest retailer in terms services, said Hubertus Pellinger, of sales, after Wal-Mart. spokesman for the German Retailers

six-year-old international division. Oth- billioo DM last year. ers were forced to catch up.

would not break ont sales figures for the new subsidiary.

Wal-Mart boasts that it expects to thrive amid the seismic social changes that have beset other stores since the 1990 unification and its huge costs. As nearly any storekeeper here can attest. shopping behavior changed dramatically as the nation lurched from pre-unification affluence to ansterity.

Discounters now rank as the only niche of the German retail sector to grow, according to the HDL Specialty stores, supermarkets, department stores Mart will strike next, betting on further and clothing vendors all saw their sales acquisitions in Germany as well as else-where in Europe. Because Wal-Mart year, the federation said. Food retailers

Germans, once eager to preserve Old World traditions of small shookeepers. can now be found crowding the vast

"People want to save money and and save money and then come back." "Like everywhere in Germany, there

the United States, It posted a 12 percent analyst in London with Goldman, Sachs & Co., referring to small family-owned stores. By making its European debut in operates its supermarkets "most cer- not - invaded the home turf of Metrotainly" have been under pressure to re- AG, which by its own estimate is the counting drive hardly fits German store-

A Metro spokesman said the company Federation, which is known as the HDL felt little pressure from the new U.S. "We dropped prices on more than competition. An acquisition binge of its 15,000 items at Wertkauf," said Dale own is expected to raise Metro's 1998 Ingram, a spokesman for Wal-Mart's sales to about 94 billion DM from 64 But the German business magazine

Price wars erupted at an inauspicious Capital reported that Metro had cut prices remain among the most restrictive in time for the country's long-suffering re- on 3,000 goods in its Real superstores, tailers, who have seen sales and market unleashing similar cuts by rivals. share slump each year since 1992, the And while Wal-Mart's earnings and

the state of the same state and thanker share slump each year since 1992, the association said. The contraction continued into the first half of this year.

Sales at Wertkauf, which were 2.5 billion Deutsche marks (\$1.5 billion) before the takeover, bave risen, said Mr. Ingram, adding that the parent company of the same retail to the same retail before the takeover, bave risen, said Mr. Ingram, adding that the parent company of the same retail to keep competition at bay.

And while Wal-Man's earnings and that the contraction continued to keep competition at bay.

With its month "Everyday Low most certainly have squeezed its profit of the work of the same retail plantage is related to keep competition at bay.

With its month "Everyday Low margins, analysts said, But to Wal-Mant, has a different game plantage is related to keep competition at bay.

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With its month "Everyday Low margins, analysts said, But to Wal-Mant, has a different game plantage is resulted to keep competition of stores, with the work and the ward into the first half of this year.

Sales at Wertkauf, which were 2.5 Metro must contend with the same retail is profit at wert tanked to keep competition of stores, with the ward that is just to get the discount spiral in that is just to get the discount spiral in the work and the parent in Europe for the long of the parent in Europe for the long of the parent in Europe for the long of the parent in Europe of the discount spiral in the work and the parent of the work and the parent



The arrival of Wal-Mart has forced retailers in Germany to cut prices.

from 1.06 billion DM in 1996. The com-pany expects earnings to rise this year, Ingram said. "It is a cycle. Lower prices from 1.06 billion DM in 1996. The commainly because of its new acquisitions.

Wal-Mart's almost fanatical diskeeping tradition, raising fears that

American-style factory-outlet shopping centers may become inevitable, industry executives said. For decades, German law bas sheltered small storekeepers with strict limits on competition. Sales are illegal

except during uniform two-week periods twice a year. Stores' closing hours Europe. Rebates must be 3 percent or less. Even advertising language is reg-

push up sales, and as volumes go up, you can reduce prices some more. Many of those efficiencies stem from

Wal-Mart's almost legendary computer system, which it also has begun to introduce in Europe. Every cash register collects data, tracking buying patterns down to sizes and colors. Its stores rarely run out of popular items and seldom

Aggressive discounts at Wertkauf al-

TRADE: U.S. Threatens EU Over Bananas

Continued from Page 1

"The ball is in their court," said Jay Ziegler, a spokesman for the U.S. trade

American officials said a final list of anctionable products would be published in December after consultation with industry and that the tariffs would be imposed Feb. 1 unless the EU gave has treaty commitments to banana-proway. The officials estimated that the ducing countries in Africa the Pacific United States had suffered losses of more than \$1 billion because of the EU's the Lome Convention. banana regime, giving some indication of the value of the European products that could be hit in retaliation.

Speaking to reporters in anticipation of the threat, Sir Leon said the United States was acting outside the law and resorting to the principle of "might is right." He did not specify any countermeasures the EU might take, but his warning that Washington was "playing with fire" indicated that the row could erupt into the worst trans-Atlantic trade dispute in more than a decade.

Stating that this was a time for the United States and Europe to give strong, joint leadership in responding to global economic problems, Sir Leon said: This is the worst possible moment to

launch sanctions, on an issue of minor economic interest to the United States. against their biggest and closest trade and political partners."

have unsold stock.

The United States — which is trying ship" that is designed to increase his wal-Mart's database is second in size only to that of the U.S. government, a Dole Food Co. that grow bananas mostly in Latin America — says it has the law "will provide a foundation for property of the United States — which is trying ship" that is designed to increase his provide a foundation for property of the United States — which is trying ship" that is designed to increase his provide a foundation for property of the United States — which is trying ship" that is designed to increase his provide a foundation for property of the United States — which is trying that is designed to increase his provide a foundation for property of the United States — which is trying to help American companies such as Chiquita Brands International Inc. and Dole Food Co. that grow bananas mostly in Latin America — says it has the law "will provide a foundation for property of the United States is second in size to help American companies such as Chiquita Brands International Inc. and Dole Food Co. that grow bananas mostly in Latin America — says it has the law "will provide a foundation for property in Latin America — says it has the law "will provide a foundation for property in Latin America — says it has the law "will provide a foundation for property in Latin America — says it has the law "will provide a foundation for property in Latin America — says it has the law "will provide a foundation for property in Latin America — says it has the law "will provide a foundation for property in Latin America — says it has the law "will provide a foundation for property in Latin America — says it has the law "will provide a foundation for property in Latin America — says it has the law "will provide a foundation for property in Latin America — says it has the law "will provide a foundation for property in Latin America — says it has the law "will provide a foundation for property in Latin America — says it has the law "will provide a foundat in Latin America - says it has the law on its side, as it has already obtained judgments in its favor at the World Trade judgments in its favor at the World Trade time of global economic uncertainty.

Organization. The European Union says it has made changes to bring its banana States went ahead with its plans to im-

Sir Leon said that if the United States tation of the partnership.

was still not satisfied, its proper course U.S. trade representative warned that the sanctions could also be extended to EU "We believe we would see "We believe we

We believe we would win."
He asserted that the dispute was not so much about bananas as about a U.S. decision to seek a unilateral remedy to a representative, Charlene Barshefsky, multilateral dispute. He said the Carte-work with the EU on these issues. We've seen no sign of a constructive re-

"It can't be in the interests of the U.S. that poor economies with little alternative are driven into more dangerous activities such as drug-dealing," be said.

The European Union maintains that it

ducing countries in Africa, the Pacific and, particularly, the Caribbean under ... It has limited tariff-free banana intports from these countries to 857,000 tons and increased the import quota of

Lann American bananas by 353,000 tons a year, to 2.55 million tons, all at a duty of 75 European Currency Units (\$87.50) a ton. It says the new regime, scheduled to come into force Jan. 1, fully complies with World Trade Organization rules.

"The U.S. does not share our view about the WTO compatibility of the new regime," Sir Leon said. "It has the right to challenge this if it wishes, but only according to the WTO procedures established to deal with precisely this sort of disagreement"

Sir Leon accused the United States of reverting to "the law of the jungle" under pressure from the U.S. Congress. Despite the tension, the United States and Europe agreed Monday on a Trans-Arlantic Economic Parmer

"will provide a foundation for progress. for the multilateral trading system at a

pose sanctions, it would "inevitably risk damaging broader economic and political cooperation," including implement

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Rigg, Racine And Power Play STATE OF THE PARTY OF THE PARTY

By Sheridan Morley

ONDON - Racine's drama "Britannicus," first seen in 1669, is the power play of all time, and yet it is remarkably brave of the Almeida company in the West End to stage a school text that has probably only had a couple of London productions in the last half-century, and at least one of those in the original French.

Now, at the Albery, and not before time, a new Robert David MacDonald translation gives us a modern dress update somewhere between Terence Rattigan and the verse dramas of T.S. Eliot. Diana Rigg, lethally attired as for a Coward or Wilde conversation piece, snaps her elegant handbag like a talk codile closing its teeth, thereby setting the mood for a wonderfully sinister and evil evening. Produced here as a companion piece to Rigg's great "Phedre," this one is more of a thriller and its true focus is on that of her son, Nero, conceived by Tohy Stephens as a clenched monarch only just beginning to emerge as a mad killer. The Duke of Windsor playing "Richard III" seems to be the general idea of the director, Jonathan Kent, and it works brilliantly.

With David Bradley, Barbara Jefford and Julian Glover as the three elder advisers watching from behind pillars as Nero comes into his ghastly self, and Rigg's, Agrippina gradually losing her influence as the queen mother, "Britannicus" is a parable about politics and power that was clearly supposed to refer to the court of Louis XIV. Its genius is to have proved timeless as a study in tyranny and treachery, and although the

title role is in many ways the weakest. Kevin McKidd brings even to that a tortuned kind of nobility.

As in "Phedre," everything of consequence happens off-stage, but this time we have a real cliffhanger in which it is not the gods but the all-too-humans who are about to destroy each AND THE REAL PROPERTY AND ADDRESS OF THE PARTY other in one way or another. "Britannicus" is about how Nero got to be Nero, but it is still haunted by Rigg's magnificent old that rarch in a chic, jet-black production of which she is both star and symbol.

Something seems to have gone adrift with the transfer, after a year at the National, of Tom Stoppard's "The Invention of Love' to the Theatre Royal Haymarket. This is one of his three greatest plays and, like the other two, "Rosencrantz and Guildenstern Are Dead" and "Travesties," it also deals with a central character who has somehow missed ont on all the really important relationships and opportunities of his life. In this case it is the Shropshire Lad himself, the poet A.E. Housman.

The play is not only about Honsman but also all the other family remnion in crisis; Lenny (Fiona Mollison) is the unwriters and dons who invaded his reclusive life, from Oscar Wilde and Frank-Harris and Jerome K. LONDON Jerome to Walter Pater and John Ruskin. The location this time is the River Thames at in the last century, except that nothing in Stoppard is ever quite that simple; this Thames is also the Styx of Hell. As the little known, self-torturing, closeted gay poet trying to come to some sort of sexual awakening and failing dismally. John Wood is simply stupendous, but he no longer has around him the

original strength of a great National cast of character actors. Only two or three remain. As a result, this becomes more of a solo show with occasional celebrity interruptions, and the general texture of the piece has somewhat coarsened; yet it primains a reminder that Stoppard is often at his best when bringing back to life the men that literary history has somehow mislaid.

1981. has been in constant American revival since and became - wish I could share.



Diana Rigg as Agrippina in Racine's "Britannicus."

a mnch-loved Hollywood movie, I have never been convinced of the greatness of "Crimes of the Heart" (at the King's

We are deep in Mississippi sometime in the late '60s, and produced until 1980. the play is about three sisters. Like another unfathomable Broadway hit, "The Member of the Wedding," this is a

happy homebody who has allowed life to pass her hy; Meg (Helena Little) is home from Hollywood and a disastrous career as a singer, and Babe (Gabrielle short and unprepos-Glaister) is a flake who has just pumped several hullets into her recalcitrant husband, a local state senator who is understandably less than delighted. And that, give or take a couple of minor menfolk, is

more or less it in a languid evening that veers from allout farce to home-baked philosophy; a trio of sisters who have only narrowly escaped the trailer parks are thrown back together and up against the gap between their dreams and what has befallen them. Henley is strong on subtle character development and dysfunctional relationships, but rather less good on the story line, which lurches around from the comic to the tragic, the touching to the terrible, without ever finding its true direction

For all that, David Gilmore's production is subtle, strong Despite the fact that it won Beth Henley a Pulitzer Prize in and superfuly cast and shows an enthusiasm for the play that I

Charting a Lost Continent

Paris Opera Revives the Unjustly Forgotten Zemlinsky

By David Stevens International Herald Tribune

ARIS - With its production of Alexander Zemlinsky's "Der Zwerg." the Paris Opera is contributing to the ongoing rediscovery of a lost continent of music, as well as 10 the revival of the works of an unjustly forgonen composer.

Zemlinsky's name has been known primarily because he was Arnold Schoenberg's hrother-in-law and the Donald opted for a kind of fairy-tale "Pag." Here the dada-esque curtain de-only person who gave Schoenberg for-mal instruction in musical matters. But serving as the fatal mirror, and with a suggest a pairing of operas by two very while postwar musical life brought the phallic array of giant asparagus as a short men with large heads and fixations

12-tone school back, it did not do much for those composers like Zemlinsky -- who were modern, post-Wagnerian, post-Romannic, but not of the dodecaphonic school. When he died in obscurity in a New York City suburb in 1942. be was remembered

mainly as an outstanding operatic conductor notably during 16 years as music director of the German theater in Prague --- whose career was frequently derailed, finally by the Nazi era and partial pa-ralysis that coincided with exile. One of his eight op-

eras was scheduled by Mahler at the Vienna opera, but it was canceled when Mahler quit in 1907 and not 'Der Zwerg' ("The Dwarf") has a

specific reference to another aspect of Zemlinsky's life. He was sessing, and although a certain young

Viennese woman ridiculed his appearance, she became his music pupil something more than a pupil, until she shifted her focus to another musician and quickly became the woman remembered today as Alma Mahler.

Zemlinsky's sensitivity about his ap-pearance surely had much to do with his formidable stamina and a strong, somechoice of opera librettos. "Der Zwerg" is an adaptation of Oscar Wilde's "Birthday of the Infanta," in which an adolescent princess is given a present of a musically talented dwarf who does not 12 in Wilde's play I, and Susan Anthony, mother. know he is ugly because he has never seen as Ghita, the princess's companion, a mirror. He takes the Infanta's arnuse-richly communicated the motherly af-

ment for love, and his confrontation with fection that cannot rescue the dwarf from his actual appearance is fatal.

James Conlon, the Paris Opera's chief is ridiculous. conductor, has bad much to do with the Zemlinsky revival of recent years, including a recording of "Der Zwerg," so followed him in bringing to life this suffered oblivion.

lusciously rich and tension-filled score. team of Richard Jones and Antooy Mc-

Freudian garden in the background.

The hero of the production was the tenor David Kuehler, who in a way rep-

resented the dwarf's vision of himself as

normal and handsome, while carrying

and manipulating a gnomelike marion-

ette. The role is a character tenor part

Christine Schaefer's glittering sop-

rano was right for the unfeeling Infanta

(18 years old in the opera, although only

what metallic tone.

the fatal affliction of finding out that he

"Der Zwerg" is about 90 minutes long, so it was part of a double-bill that included Maurice Ravel's "L'Enfant et the production at the Palais Garnier is in les Sortileges," another 20th-century solid musical hands, and the orchestra masterpiece, but one that has never

The art of pairing short operas on the The staging and designs by the British same hill is an arcane one. Not everything is as naturally paired as "Cav" and

> on unattainable women - Alma for Zemlinsky and Mama in the case of Rayel, who had no known romantic attachments in his life. The rationale. if that is what it is, seems forced and

totally unnecessary, But a certain artificiality is something these two works have in common, and the same fairy-tale approach in the staging worked even better for this setting of Colette's libretto, in which most of the characters are small animals or inanimate objects taking their revenge on an ab-usive child.

Conion and the orchestra gave the same care to Ravel's fastidiously delicate and archly amusing score as they did to Zemlinsky's, and the large cast was uniformly excellent in the mulople

Christine Schaefer, right, David Kuebler and Susan Anthony. This music is no less entrancing for its artifice, Ravel, stung by accusations of artificiality, is said to have remarked: "Have they never thought that I may be artificial by nature.

> N what practically amounts to a ballet for singers, the choreography of Amir Hosseinpour was a major contribution, as was the lighting of Thomas Webster. The large cast was headed by Gaele Le Roi as the child who finally regrets being naughty, and Helene Perraguin as the exasperated

The current run of performances continues through Nov. 25.

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Bach, Ibiza and Harmolodics

By Mike Zwerin International Herald Tribuna

 LMAU, Germany loachim Kuhn has reached the conclusion that owning a the question when you play tonest jazz music for a living. Not being able to fly when he wants is unfortunate because the Norwegian saxophone living on the Spanish island of star Jan Garbarek, whose Ibiza he has to take one extra quartet featured the Danish And the second The same of the sa flight to get to work. The second second

His house stands by itself on a hill overlooking two beaches. He has no desire to spend any time on either of without compromise. If somebody invites him to din-

time. 'I'm very German trend, when I have to be," he said. He The first weekend of raised in Leipzig, not far from scarves as he performed surNovember, Kuhn played a pithe church where Johann Serounded by an array of speaksion of swing. Bach has been

pean Jazztivai" at the Schloss Elman hotel in the Bavarian Alps: Also on the program were the Spanish guitarist Gerardo Nunez, the Polish French violinist Dominique Pifarely, the Italian accordion virtuoso Antonello Salis and

percussionist Marilyn Mazur. Their music resembled postmodern Western classical music more than anything else. Improvisation was plenthem. Living alone, he can tiful but the element of swing. make music whenever he was left sort of lurking in the wants, which is pretty much background. Today's Euroall the time. He tries to live pean players are leaning more on the intellect than the time. Although lately he has been ner tomorrow night he'll working with Ornette Cole-reply: "I'm not sure I'll be in man, the so-called "father of free jazz," and he certainly

ano duo with the Swede Bobo bastian Bach had been the ers, amplifiers, synthesizers Stenson as part of a "Euro- cantor. "Bach was the first and miscellaneous key-pean Jazztival" at the Schloss jazz musician," he said. "He boards. Slowly he began to wrote swinging bass lines." realize that he was dreaming Kuhn's Jewish mother re- of stardom and money more private jet is pretty much out: trumpeter Tomasz Stanko, the had him confirmed in the turned off the switches,

> defect from East Germany by way of Vienna after a competition directed by the Austrian pianist Friedrich Gulda. He was working with Hans Kohler in West Berlin in no time. Kuhn learned jazz comprehensively and chronolo-gically - hot, cool, modal, fusion and free. He toured and recorded with Philly Joe Jones, Don Cherry, Jean-Luc Ponty, Jack DeJohnene and Gato Barbieri.

Moving to the United the proof tomorrow night." free jazz, and he certainly States in the 1970s, he was the road he has a lot of knows how to swing hard seduced by the technological appointments and then he's when he wants to, Kuhn is challenge of electronic fullways planning ahead and on basically part of this Euro-sion. He grew his hair, ac-States in the 1970s, he was centuating his strong chin, He was born (in 1944) and and wore flowered

realize that he was dreaming mained afraid after surviving than music. Growing bored the war in Germany and she with fusion's limitations, he nearby Bach church. After pulled the plugs, sold his keythat he did not attend services boards and returned to for years. Burope in 1983 to become an

It was "kind of easy" to acoustic planist again.

From East Germany by The church had played an important role in the African American roots of his chosen music - spirituals and so forth. And eventually it hit him: "I have a church too." Going back to Leipzig after the Cold War ended to look at that part of his life again, he met Georg Christoph Biller, who has the same job as Bach.

> ILLER was open to the idea of Kuhn's performing Bach with his 60-voice choir. Kuhn analyzed the harmonies, translated them into 20th-century symbols and improvised on top. But he silk was particularly careful to



Joachim Kuhn: "Bach was the first jazz musician.

'jazzed-up' before and he finds it "terribly tasteless." in his grave?" he asked Biller. "Oh no," Biller replied. "He was an impro-

viser himself."
"Funny," Kuhn said in Elmau. "I played with Bach and then I went directly to New York and played with Ornette Coleman. I don't know how many people have done these two kinds of things one right after the other. If you think about it, though, it's not really that different. It's all great music. And swing is universal."

Actually, Kuhn and Cole-man teaming up is one of the more interesting (and controversial) jazz events of the year. It brings a leading, even mythical, black innovator together with a well-known white player of Eurojazz. The latter's swinging instincts notwithstanding, this is not a marriage universally hlessed in the corridors of power.

A live recording from their first duo concerts in Verooa, Italy, and Leipzig was a hig success in Germany. Coleman records everything rehearsals, performances, monologues, conversations - sometimes on both audio and video tape. "There's a book in there," Kuhn said. "I have hundreds of tapes." Since Coleman does not like to perform the same piece twice, he writes 10 or 12 new ones each time out. Last

on 125th Street in Harlem. In the beginning, he put Kuhn in "Do you think Bach is a hotel. Now he stays in his house on 37th Street. Kuhn considers Coleman's success on all levels a lesson in what can happen if you stick to

your creative guns. They never speak about money: "He is a very generous man. The most honest person on earth. I don't worry about money. We never discuss it. He's more than fair about it. You know, when you are a young musician you have dreams about the kind of masic you want to play and under what conditions and with whom. This is definitely one of the big dreams of my

OLEMAN'S sys tem of harmolodics has confused many respected virtuosos. It took Kuhn awhile. but he kept at it and finally figured a good deal of it

"It's absolutely logical and consistent," he said. "Since music is no secret, if you take the trouble you can learn a lot from this man." And Coleman said to him: "You are one of the few

people who understand me." Kuhn played the tape of his Bach concert with the Leipzig church choir for Coleman, who took it home. "I stayed up all night figuring out what to play, hut now I've got it," he said later. "It's not so easy

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They performed with re-

corded Bach in Italy. "We're thinking of doing it in Leipzig

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month there were two fresh to play with Bach." concerts in Stockholm and Zurich. Coleman flies Kuhn from Ibiza to New York to re- next year." Kuhn said. "This hearse, and he rents a Stein-might be the next exten-way for him. He has a studio sion."

Tuesday's 4 P.M. Close

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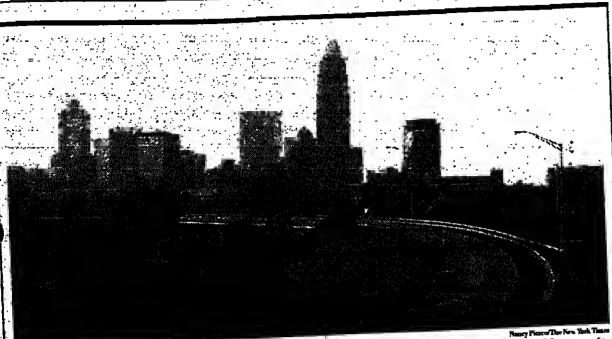
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WEDNESDAY, NOVEMBER 11, 1998





The skyline of Charlotte, North Carolina, still shines, but the Asian crisis is eroding the city's achievements.

Asian Crisis Felt in U.S. Heartland

Competition From Imports Is Stunting Growth in South

By Louis Uchitelle New York Times Service

CHARLOTTE, North Carolina - The city skyline comes suddenly into view just over a rise on Interstate 85. In the distance, the morning sun sparkles on the glass and polished stone office towers, which seem to rise straight up

from the green countryside.

Charlotte, North Carolina, a star performer in the economic expansion of the 1990s, does have an aura of having nomic expansion of the 1990s, does have an aura of having did sprung from the soil overnight. The towering skyline did not exist a decade ago. Nor did most of the industrial parks, luxury homes, hotels, office buildings and shopping centers that spread for miles, adding thousands of jobs.

But the global financial crisis is beginning to erode this achievement. Manufacturing is particularly vulnerable. Many companies here make products that are also made, less expensively, in Asia. Currency devaluations have increased this cost advantage. With recessions shrinking demand at home, the Asians are shipping more merchandise to America, cutting into Charlotte's markets.

What is happening in the Charlotte area — a seven-county region with 1.4 million people — appears to be happening in other Southeastern metropolises that have enjoyed similar booms. A shining example of the South's rising prosperity in the 1990s, Charlotte now illustrates how the Asian financial squeeze is starting to undercut that

The South has gone from being a high-flying economy to a more moderately expanding one, with signs of more slowing down the road," said Mark Zandi, chief economist at Regional Financial Associates. "But unlike the weak ening that has occurred in the West or the Farm Belt; the weakening here is related more to competition from im-

ports than to difficulty exporting."

The Charlotte metropolitan area has flourished because of its prosperous banks, because of its advantages as a distribution center and because of the constant influx of companies, drawn here in part by a relatively low-wage work force and by state laws that restrict labor unions. Dozens of telephone marketing and customer service op-erations have located here. So have several corporate headquarters and all sorts of service companies.

But the largest contingent is low-cost manufacturers. No industry employs more people in the area than mann-facturing: 141,000 in a work force of 764,000. Historically a center for textile and apparel companies, the Charlotte area, like elsewhere in the South, is bost today to a variety of manufacturers that have migrated here from higher-wage

states or from abroad. They make, among other things, machine tools, fiber-optic cable, chemicals, paper, electronic switches, anto parts, tires, yarn — all items that Asian companies are selling in the United States in grow-

Consider Carolina Pad & Paper Co., one of the many manufacturers whose single-story plants have devoured the farmland along Interstate 85 and Interstate 77, two highways that intersect here. The company makes all sorts of pads and notebooks, using paper increasingly imported from Indonesia. Given the shrinking demand for paper in Asia, the Indonesians are converting their paper to pads and offering them for sale in the Yellow legal pads — one of

See REGION, Page 16

Equipment Makers Find Ways To Cope With Drop in Demand

By Tim Smart Washington Post Service

RACINE, Wisconsin - As they watch candy-apple-red tractors move slowly along the production line at the Case Corp. factory here, workers can glance at numerons electronic screens hanging from the ceiling.

Looking up, they can find out who is having a birthday and catch periodic updates on the price of Case's stock.

Lately, however, the latter has been a painful sight. Most of the 980 employees at the factory own the company's stock, and its price her planned since April as the surjument and its price has plunged since April as the equipment manufacturer's business has slowed. (The stock fell \$1 Tuesday to close at \$25.1875, compared with a high this year of \$71.4375 set in April.) The culprit? The financial crisis that began nearly 18 months ago in Asia and now is taking root in

the American heartland. Although the U.S. economy is still growing at a healthy pace, the manufacturing sector is cooling. U.S. exports of capital goods such as tractors, jettiners, steel and high-capital goods such as tractors, jettiners, off about 10 technology manufacturing equipment are off about 10 percent this year, while manufacturing employment is down by nearly 200,000.

As the big manufacturers go, so go the thousands of small uppliers who support them and are the foundry of the industrial economy. Even though manufacturing represents only about 19 percent of U.S. economic output, jobs in the sector tend to be high-paying, and a dollar spent in man-ufacturing tends to spread throughout the economy more than in other sectors because of the nature of industry's extended chain of supply.

At Case, orders for major farm-equipment items are down; a deal to sell 400 combines to a buyer in the former Soviet Union collapsed for lack of financing. Overtime has been pared back. The tractor plant here was closed for a week last month and again during the first week of this month. The company is planning to lay off 1,100 of its 18,000 workers worldwide by year-end.

The employees here are feeling the effects of the turnoil overseas, in part, because of how quickly and nimbly Case and other companies are scaling back production—in many instances applying some lessons from the last recession.

Some analysis say that could mean that the slowdown in manufacturing will do less damage to the overall economy than in the past. Case, for example, once made most of its own tractors. But today, about three-quarters of the parts in a typical tractor are produced by others. While this lessens the impact of the slowdown on Case itself, it ensures that when Case stumbles, other companies feel the effects.

"Case is our largest customer," said Paul Niekamp.

general manager of Western Metal Specialties, which provides Case parts. Whenever they hiccup, we feel it real quick.

Mr. Niekamp said he was keeping a close eye on the simation and had already cut overtime and suspended hiring plans. "We had been working easily 15 percent overtime," he said.

In another sign of the ripple effect, at Cummins Engine Co. in Indiana, a major supplier of diesel engines to farm- and constructionequipment makers such as Case, profit fell 63 percent in the third quarter, and the company announced plans to cut about 1,100 jobs. Case and other makers of

farm equipment are being hit See IMPACT, Page 16

Cargill to Expand Grain Operations By Buying U.S. Rival's Subsidiary

CHICAGO — Cargill Inc., the world's largest crop trader, said Tuesday it would buy the grain unit of its biggest U.S. rival, Continental Grain Co., to expand its already dominant position in the industry.

Terms of the transaction between the companies, both of which are privately held, were not disclosed. The agreement follows a plunge in prices caused by slowing dernand in Asia and Russia and by abundant crops. It would continue a rapid consolidation in the industry and could draw close regularity scrutiny in Europe and the United States.

Cargill, based in Minnetonka, Minnesota, would get Continental's businesses that store, trade, transport and export grain around the world. Cargill then would control one-third of U.S. grain exports, according to Continental. New York-based Continental plans to

change its name to ContiGroup Cos. Under the agreement, it would shed the grain business — founded in 1813 in Belgium and moved to the United States after World War II - to focus on its other operations, which include America's largest cattle-feeding business, sixthlargest poultry business and third-biggest hog-production unit.

Suisse First Boston Inc. in New York Continental bas been diversifying into other businesses. This would improve Cargill's size and give it more places to source and export grain. The grain trade is a high-fixed-cost business that needs

Continental Grain is the second-largest company in the \$32 billion U.S. grain-export market. It trails only Car-gill, which is the country's largest privately held company, with businesses ranging from commodity trading, food processing, fertilizer and steelmaking to financial trading and futures brokerage.

If the transaction is completed, Cargill will control about 10 percent of the
U.S. market for handling and marketing
grain, said Dwight Coffin, a Continental vice president.

The transaction could face regulatory objections in the United States and Europe, where the European Commission can veto transactions that result in or strengthen a dominant market position, even if the companies are based outside the 15-nation European Union.

"If two of the big boys get ingether, that could mean the beginning of dis-

"Most companies don't have the re-sources to be the biggest in everything," said David Nelson, an analyst at Credit Committee of Agricultural Organizations, the European Union farmers' or-ganization. "They seem to be going for the world."

Continental's chairman, Paul Fribourg, called the sale a "bold strategic move" that would allow Continental to concentrate on "significant opportunities worldwide in our fast-growing higher added-value agri-industries, financial services and private investment operations.

Continental said the grain business accounted for about one-third of its total sales. While the company does not report financial results, industry sources estimated its worldwide sales at about \$16 billion in 1998.

Cargill's chairman, Ernest Micek, said U.S. farmers would benefit from improved efficiency and reliability of moving crops to processing plants and

"Together these grain operations will extend farmers' reach into new markets and improve service to a world of increasingly demanding customers," he said, "and that's what it's all about in today's global marketplace.'

(Bloomberg, Reuters)

Prices Are Flat in France and Germany

PARIS — Inflation all but disappeared in France and Germany last month, according to data released Tuesday, providing additional ammunition to politicians calling for lower interest

rates to stimulate economic growth. France's consumer price index either was unchanged or fell 0.1 percent in October from September and rose 0.4 percent or 0.5 percent from a year earlier, Insee, the state statistics agency, said a preliminary report. German prices fell 0.2 percent from September and rose 0.7 percent year on year, the Federal Statistics Office said.

Inflation in France and Germany has ceased to concern many policymakers, who have shifted their focus to countering a potential economic slowdown. Inflation throughout Europe has been held down by low commodity prices and

until this year, Recent economic weakness in Asia and the dollar's recent weakness are expected in keep further pressure on prices.

For instance, pork prices have fallen 40 percent this year in Europe amid rising output and the loss of export markets in Asia and Russia. Telephone companies are slashing prices as competition heats up. Mannesmann AG, Germany's largest mobile-phone operator, said last week it would cut its peak rates 32 percent in January, Mannesmann and its rival Deutsche Telekom AG, which said it would match those cuts, slashed tariffs as much as 67 percent this summer

There is no threat of inflation," said Olivier Eluere, an economist at Credit Lyonnais. "The story now is the threat to growth." Nonetheless, European

consumer spending that was sluggisb central bankers have resisted calls for a saying the independence of monetary policy must be guarded as 11 members of the European Union prepare to in-

rodnce a single currency.

Wim Duisenberg, president of the
European Central Bank, which will take over management of monetary policy for the countries joining the euro next year, reiterated that stance Tuesday, saying the single currency was unlikely to start with an interest rate below Germany's current 3.30 percent benchmark level.

The European Central Bank is "very concerned about the unacceptable bigh rate of unemployment in the euro area, Mr. Duisenberg said in a speech. But lowering borrowing costs now, he said, would only push long-term borrowing costs higher and lead to higher job-

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CURRENCY & INTEREST RATES

The Case tractor plant in Racine, Wisconsin, has

been idled twice recently because of falling orders.

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THE AMERICAS

Intel Executive Tells of Terrifying' Threat by Microsoft

By Steve Lohr New York Times Service

WASHINGTON - Microsoft Corp. repeatedly threatened its key industry ally. Intel Corp., as part of its campaign to stifle any challenge to its business posed by the rise of the Internet, according to court testimony by an Intel executive.

Sieven McGeady, an Intel vice president, testified that Microsoft had threatened to pull back from supporting new Intel micropro-cessors unless intel shelved its own software efforts and favored Microsoft over such Internet software rivals as Netscape Communications Corp. and Sun Microsystems Inc. It was clear to us that the threat was cred-

ible and fairly terrifying." Mr. McGeady test-ified Monday at the Microsoft antitrust trial. Each generation of Intel's microprocessor

the electronic brain used in about 85 percent of personal computers — represents a huge investment. To work well, a new chip requires

Declining issues outnumbered

U. S. STOCK MARKET DIARY

system. So the prospect of any cooling in Intel's hand-in-glove relationship with Microsoft would be a serious concern for intel.

The U.S. government backed up Mr. McGeady's testimony by introducing internal electronic mail from Intel and Microsoft. It also showed more excerpts from a videotaped deposition of Bill Gates, the Micosoft chairman.

The Justice Department's intent was to portray Microsoft as using its market muscle to retain its tight grip on the industry and to ensure that Microsoft set the pace of innovation. "Basically." Mr. McGeady said, "Mi-

crosoft was concerned that things would get out of its control." [According to evidence released Tuesday, Mr. Gates told Intel executives that "this anti-

trust thing will blow over," The Associated Press reported. Mr. Gates also told Intel executives that "we haven't changed our business practices at all," although he suggestedwith apparently remarkable foresight - that

that Microsoft refine its Windows operating Microsoft might change its policies about how often to destroy internal e-mail. Mr. Gates's comments were captured in handwritten meeting notes introduced Tuesday as part of the government's case against Microsoft.

The portions of Mr. Gates's taped deposition shown in court centered on Microsoft's relationship with Intel, and they were shown to cast doubt on Mr. Gates's credibility. In each of the three instances when the goverument has played portions of 20 hours of videotaped questioning in August, Mr. Gates's taped denials have been shown and then compared with witness testimony or email from him or other Microsoft executives that seems to contradict his testimony.

On the tape shown Monday, David Boies, a government lawyer, asked Mr. Gates if he was aware of work by Intel on Internet software. Mr. Gates said, "I can't think of any."

On the stand, Mr. McGeady told of an Aug.

including Mr. Gates and the chairman of Intel. Andrew Grove. Mr. McGeady said he briefed Mr. Gates and the others on the work Intel was doing on Internet software, mainly programming to make audio and video data sent over the Internet play faster and more smoothly.

Mr. Gates became very enraged. Mr. McGeady said, adding, "His view was that we were competing with Microsoft."

The Justice Department also introduced an internal Intel memorandum that Mr. Mc-Geady wrote after the meeting. It said Mr. Gates was livid about Intel's "investments in

Department is presenting a distorted picture of pet software projects were canceled for good business reasons. "We did not threaten to withhold support for Intel's new micropro-

Internet Shares Gain, but Blue Chips Fall seller, rose 4% to 131%. America Energy Agency this week slashed its

Very briefly: • General Motors Corp. will invest \$1.5 billion in enthe prospects for corporate earngineering operations in Michigan as part of a consolidation aimed at cutting costs and creating new models more quickly.
GM will combine more than 40 vehicle development sites into We are just watching the In-ternet stocks go through the roof.

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six large facilities over the next five years. • Cia. Vale do Rio Doce of Brazil is the leader of a group that equity trading at Interstate/Johnson agreed to pay 245 million reals (\$206 million) for the state-Lane. Traders were speculating that owned Paulista Railway, doubling the railroad-transport neton-line commerce will offer bigger work of the world's largest iron-ore mining company. profit increases than more tradition-

 Philips Industries Inc.'s Brazilian unit dismissed 448 of its 2,500 workers in response to falling demand for home apseason approaches. At the close, the Dow Jones inpliances in Brazil, according to newspaper reports. dustrial average was down 33.98 points at 8,863.98. The Standard &

 CompUSA Inc.'s net income fell to \$8.1 million in its first quarter, which ended Sept. 26, from \$23.5 million a year Poor's 500 index was down 1.96 points at 1,128.24. But the Nasdaq earlier amid weak prices and sluggish sales. · Eastman Kodak Co. is to cut hundreds of jobs at its copier

composite index, which includes many technology companies, was up 4.45 at 1,865.50. assembly division because of slowing sales to its main customer, Danka Business Systems PLC. James Riady, owner of the Indonesian-based conglomerate

Lippo Group, which has been accused of illegally channeling advancing ones by a ratio of about 3; money to President Bill Clinton's re-election campaign in to-2 on the New York Stock Ex-1996, is selling Lippo Bank California to Commercial Bank of San Francisco for \$15.9 million, the banks announced.

• H.J. Heinz Co. is to cut 400 jobs and take a third-quarter charge of \$150 million to consolidate its frozen-food busi-

· Seagram Co., based in Montreal, is to restructure its wine and liquor business by moving its top management to New York and focusing on its Chivas Regal and Crown Royal

prices and still earn the kind of Phoenix Technologies Ltd., a software developer, plans to restructure by cutting its work force about 5 percent, to 750 people, in an effort to reduce expenses as it moves to angular its recent acquisitions of Award Software International Inc. its recent acquisitions of Award Software International Inc. other recent signs of strength in the and Sand Microelectronics Inc.

Bloomberg, Reuters, NYT, AFX

U.S. economy, a good sign for the dollar "could rise to 125 yen" by the Deutsche mark after Wim Duisen-\$1.6630.

Christmas retail season. Internet Compiled to Our Staff From Dupus has NEW YORK - internet-related stocks soured on optimism that the stocks and other technology shares rose Tuesday, but the broader marvertising revenue. ket fell as investors worried about

U.S. STOCKS

"It's probably going to be a said Doug Myers, vice president of breakout year for electronic commerce," said Mike Wallace, an analyst with Warburg Dillon Read.

Yahoo!, the largest Internet directory, rose 12 13/16 to 177 9/16. al industries as the holiday shopping Amazon.com, the on-line bookOnline, the largest on-line service, rose 5/16 to 145 1/16.

EBay, an on-line anctioneer, soared 271/4 to 1301/4 after Rakesh Sood, an analyst with Goldman, Sachs & Co., raised his target price for the stock to \$150. K-tel International rose 11% to 22

15/16, buoyed by an agreement to include its on-line music and home video service on a Microsoft Internet shopping service. Oil-company shares fell on signs yield stayed at 5.29 percent.

of lower demand. The International

estimate for fourth-quarter demand by 600,000 barrels a day. Exxon fell 1 11/16 to 70 5/16.

Du Pont, the biggest U.S. chemical company, fell 2% to 591/2; BASF of Germany, the biggest chemical company in Europe, said business in the third quarter fell short of expectations.

The prices of U.S. Treasury securities were flat, with the benchmark 30-year bond at 99 13/32; the

(AP, Bloomberg, Reuters)

Gloom in Japan Helps Dollar Against Yen

pectations of continued weakness in the Japanese economy and as investors further scaled back expec-tations that U.S. interest rates will be There was little reaction to a report that U.S. worker productivity cut soon. a key indicator of future living

Traders sold yen after the govstandards as well as inflation - rose erning Liberal Democratic Party percent in the July-September said it would present a supplemenperiod after rising just 0.3 percent tary budget to Parliament on Thursthe previous quarter. Sizable gains day that would include plans to issue in productivity mean companies can gift certificates to spur consumer pay workers more, hold the line on spending.

profits that keep stock prices rising, another weak package, said
The productivity report followed Thomas Benfer, a director of foreign said

end of the week, he said. In 4 P.M. berg, president of the European trading Tuesday, it was at 122,365 Central Bank, said lower interest NEW YORK — The dollar rose trading Tuesday, it was at 122,365 against the yen Tuesday amid exyen, up from 121,700 yen Monday. Reduced expectations that the Federal Reserve Board will cut in-

> FOREIGN EXCHANGE terest rates, amid signs of solid U.S. growth, also continued to help the

dollar against the yen. "They'll defer further rate cuts." said Noel Mills, a money manager at Barclays Global Investors in Lon-

The dollar slipped against the

rates would not help fight unemployment in Europe. Traders took that as a sign that the benchmark rate for the 11 European countries adopting a common currency will not go below the current German level of 3.30 percent.

The European Central Bank will nations starting Jan. 1

The dollar fell to 1.6838 DM from 1.6888 DM. Against other currendon. "Much of the confidence has cies, the dollar fell to 5.6467 French "People are afraid it's going to be been restored." He said he saw the francs from 5.6586 francs and to dollar rising to 130 yen in the next 1.3885 Swiss francs from 1.3965

The pound fell to \$1.6590 from

set monetary policy for the euro

also apparently have agreed to tear down eigarette billboard ads, pay more than \$1 billion for anti-tobacco ads, halt distribution of merchandise with tobacco logos and finance a national foundation devoted to reducing smoking by teenagers. .

bacco companies of their most

The Trib In	dex	Prices as of 4.00 P.M. New York Ime		
Jan. 1, 1992 = 100	Level	Change	%change	year to date %change
World Index	184.68	— 0.78	-0.42	+ 7.30
Regional Indexes				
Asia/Pacific	84.80	— 0.84	— 0.98	— 11.73
Europe	211.57	— 1.48	— 0.69	+ 9.60
N. America	260.56	+ 0.41	+ 0.16	+ 20.64
S. Amenca	92.95	— 2.20	— 2.31	— 39.12
Industrial Indexes				
Capital goods	259.29	+ 210	+ 0.82	+ 25.52
Consumer goods	232.65	+ 1.50	+ 0.65	+ 10.93
Energy	192.40	— 3.16	1.62	— 1.31
Finance	123.57	— 1.82	— 1.45	÷ 0.50
Miscellaneous	168.64	— 2.56	— 1.50	+ 12.52
Raw Materials	166.95	4.74	- 2.76	— 0.17
Sennce	195.35	— 1.57	0.80	+ 12.07
Uthtoes	174.17	— 1.88	— 1.07	+ 4.37

AMEX

Tuesday's 4 P.M. Close The 200 most traded stocks of the day. up to the closing on Vigil Street.

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Nov. 10, 1998

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the Internet and wanted them stopped." Microsoft has contended that the Justice

the Intel-Microsoft relationship and that Mr. McGeady is a disgruntled executive whose cessors, and we did not do it," said Carl Stork, by senior executives from Microsoft and Intel, general manager of the Windows division.

> Tobacco Firms Near an Accord With 8 States

Bloomberg News 💢 NEW YORK — Negotiators for eight states and the tobacco industry say they are working out details of a settlement of state lawsuits for as much as \$200 billion and plan to unveil an accord Friday.

The attorneys general of Washington, New York, Colorado, California, North Carolina, North Dakota, Oklahoma and Pennsylvania expect to brief 38 other states, those that have not settled with cigarette makers, on the agreement, the negotiators said. Those states: then would be allowed to join.

Philip Morris Cos., RJR Nabisco Holdings Corp., Loews Corp. and British American Tobacco PLC have agreed to pay as much as \$200 billion over 25 years to settle suits seeking to recover Medicaid costs for treating smokers who become ill, the negotiators said. The companies

An agreement would free to-

MOK WARKETS

ritain

Bid Grows

Nordic region.

establish a stronger presence in the Norwegian market. "Handelsbanken's chances

are dramatically bigger now,"

said Rodney Alfven, an analyst

at Swedbank Markets. "The

banking sector in Norway is in

great need of restructuring to

lift profitability."
Analysts said Handels-

banken's unsolicited bid for

Fokus still faced big hurdles, es-

pecially the question of whether

the Swedish concern could per-

suade holders of the required 90

percent of Fokus's shares out-

standing to accept.

The Handelsbanken bid val-

ues Fokus at 5.1 billion Nor-

wegian kroner (\$685.7 million).

long as it means consolida-

tion," said Leif Briksroed, a.

manager at Delphi Fondsfor-

valtning, who holds Christiania shares. 'No matter who they

(Bloomberg, Reuters, AFP)

WORLD STOCK MARKETS

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Tuesday, Nov. 10

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THE REPORT OF THE PARTY OF THE ens Fl Cher Bank

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EUROPE

Bonn Flirts With New Borrowing in 1999 quickly on their promise to put the official said. Market News

ering a drastic increase in new government borrowing - and a sharp jobs. increase in the budget deficit - next year to stimulate investments and to help cover potential shortfalls in the

bers said Tuesday. Social Democratic budget expents said party leaders were growing concerned about the impact of worsening economic prospects on

ule for 1999 and the desire to deliver tailing his government's ambitions

jobless back in work, party poli-cymakers are leaning toward widening the federal deficit to help create

The deficit had been pegged by the previous government at 56.2 billion Deutsche marks (\$33.28 bil-

Finance Minister Oskar Lafonfederal budget in mid-January, is 'gravely worried" that the repercussions of the currency crises in Southeast Asia will lower exports and business profits next year, re-

week when it cut its forecast for plan to move 100,000 young people gross domestic product growth to 2 back into the work force. percent in 1999, down from the pre-

2.8 percent. taine, due to present his 1999 draft the annual economic report next federal tax inflows. week by its advisory panel—the so-called Five Wise Men—as well as

But one official said that Mr. La
fontaine would be "well-advised" tax revenue projections due Thursday before committing itself to new deficit, he returned to a more prubudget forecasts.

pected Mr. Lafontaine to claim "be-tral bankers.

France is determined to consol-

The French seem to be moving

heaven and earth" to ensure their

idate its defense holdings into a

plans for the first year in office, one tween 15 and 20 billion" DM more credits next year. He said the finance The government acknowledged minister would spend the bulk on the changed economic outlook last investment projects, such as Bonn's

Party policymakers in the Ftvious administration's estimate of nance Ministry say they hope the projects will fuel domestic activity Bonn wants to await the release of and help bring about a rebound in

But one official said that Mr. Laif, after a year of running a large dent fiscal policy in improve his Another official said that he ex-

Booker's Shares Drop on Warning

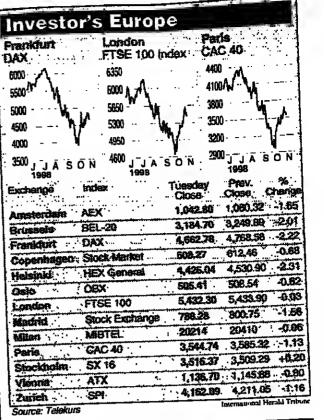
Reuters LONDON - Booker PLC. the food company that also sponsors Britain's most prestigious literary award, issued its second profit warning in six months on Tuesday, sending its

shares into a tailspin. Booker shares closed 54.75 pence lower at 64.25 (\$1.07). The warning by the chief executive, Stuart Rose, who was appointed just five weeks ago in mastermind a turnaround, is the latest in a long line of setbacks

for the company.

Booker warned that second half pretax profit would be about £11 million, similar in first-half performance. If the forecast proves correct, Booker will turn in a full-year profit of £22 million, compared with £76.1 million the previous year.

"This is a disaster," one analyst said. "It just smacks of no management controls, no idea of what sales figures are doing or what costs are doing."



Very briefly:

· Seita SA, the French maker of Gauloises and Gitanes cigarettes, plans in reorganize its production and distribution network, shutting two plants and two or three regional offices with the loss of hundreds of jobs.

• Two Bundeshank council members, Helmut Hesse and Olaf Sievert, will step down at the end of the year as the German central bank prepares to yield its power over interest rates to the European Central Bank.

 The U.S. financier George Soros predicted during a visit to Ukraine that the world economy, buffeted for the past year by economic and currency crises in Asia and Russia, would take "B fairly long time" to recover after suffering "a lot of

• Cahle & Wireless Communications PLC had a 12 percent rise in pretax profit, to £73 million (\$121.1 million), in the six months that ended in September, helped by robust revenue growth in its business units. Revenue climbed 14 percent, in

• German vehicle production jumped 32 percent in October from a year earlier, to 583,200 units, as car exports surged. Bloumberg, Reuters

itary contractors. Dassault, maker of months to secure the backing of PARIS — Dassault Aviation SA Mirage and Rafale military jets and Serge Dassault, the company's chief said Tuesday it would move forward Falcon business jets, said it would ask executive and controlling share-

this week on its agreement to transshareholders Thursday to approve the holder. Mr. Dassault has said he will fer the government's 46 percent transfer of the government's shares into state-owned Aerospatiale. The France takes steps to consolidate its move is expected to be approved.

The plan to fold the government's single company that the government The plan to fold the government's single company that the government bopes would then be an indispensionable prospects of participating in a broader European merger of mil-

closing foreign-currency positions participation in a three-way merger, said Sandy Morris, an aerospace analyst at ABN-AMRO in London. BIS Wants Banks to Open Up

Kuala Lumpur

London

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BASEL, Switzerland — The every month.

BAe and Daimler-Benz Aerospace every month.

The recent Asian crisis and its have said they will merge without Bank for International Settlements called on central banks Tuesday to disclose more information on their in the availability of information foreign-currency positions to help associated with foreign-currency avoid turbulence in financial mar-

In a report, the bank --- which acts as a central bank to the world's central banks - recommended ways in which central banks could improve their openness.
It suggested, for example, dis-

High Low Close Prev.

aftermath highlighted sbortcomings Aerospatiale if France does not move

had appointed Andrew Crockett as general manager for a second fiveyear term.

It also named Robert Sleeper as

Separately, the BIS said its board

head of its banking department, replacing Malcolm Gill.

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quickly enough to remove itself as a shareholder in the defense industry. France has indicated it is willing in override labor-union opposition and sell its Aerospatiale stake gradually.

British Aerospace is eager to tap into Dassault's research and development and has agreed to jointly develop technology for future fighter planes.

Late trading

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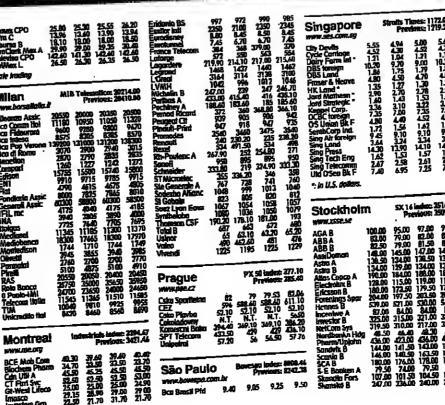
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More Likely BONN - The governing Social Democrats of Germany are consid-For Fokus party's new fiscal plan, party mem-OSLO — A planned threeway merger of Norwegian banks appeared Tuesday to have fallen apart, improving the prospects of a bid for one of the banks by Handelsbanken AB of the new government's policy per-Sweden, the biggest bank in the Pressed by a tight electoral sched-ducing tax receipts and badly curformance next year. Fokus Bank AS, the target of Handelsbanken's overtures, and Christiania Bank AS said they had rejected a planned merger with state-owned Postbanken because it would have been too Dassault to Push Ahead With Share Deal expensive to use the post office network to sell their products. Instead, it appears that Handelsbanken may get a chance to

Claims of a Troubling New Twist in the '2000 Bug' Ignite a Heated Debate

By Barnaby J. Feder New York Times Service

NEW YORK - Did a history teacher from Michigan and an obscure Canadian programmer discover a twist to computing's "year 2000" problem that the experts had missed?

That question has ignited a technical debate in which some specialists — including many at Compaq Computer Corp.'s Year 2000 Expertise Center in Albany, New York - see a real, if imperfectly understood, flaw that could cause many older computers to malfunction after seeming to sail smoothly into the new millennium. Others, however, see it as scare-mongering.

The controversy turns on the intricacies of how computers keep time. It underscores how the approach of 2000 is stirring doubts among computer users about who the true experts are and how much they can be trusted.

The 2000 problem stems from a seemingly simple glitch: Computers have long used just two digits to refer to the year, such as "98" for 1998, and often have trouble recognizing that "00" will mean 2000, not 1900. But, as this dispute sbows, that simple problem spawns questions that can defy quick, clear-cut answers.

The purported timekeeping flaw was reported in August 1997 by Jace Crouch, 46, who teaches ourses on Western civilization at Oakland Uni-

versity in Michigan. It was subsequently described at length on the Internet by Michael Echlin, 35, a programmer at Atomic Energy Canada Ltd.

Not only is the timing of the flaw's onset unpredictable, they say, but so are the results, which include malfunctions that can wipe out data, prevent computers from starting up and lead software programs to make faulty calculations. The problem is said to primarily affect older computers, bur some more recent clones of International Business Machines Corp. computers also are said to be susceptible. One report on the flaw involved an Apple Computer Inc. Macintosh, and the flaw may lie hidden in a wide range of electronic machinery.

But is the flaw real? Or is it, as some critics say, a reckless claim by the two men, who have set up a small company that markets software to identify and neutralize the problem?

"They are selling a fix for something they can't even explain." said Thomas Becker, chief executive of Rightime Co., a Miami-based software company that specializes in products that regulate timekeeping on personal computers. They are trying to capitalize on fear."

For more than a year, the conflict over what has been variously called the Crouch-Ecblin Effect. time dilation, or simply, TD, has been waged largely on a handful of Internet sites favored by computer buffs. Even critics such as Mr. Becker



that Mr. Crouch and Mr. Echlin have undoubtedly encountered something strange that

urgently needs further research and explaining. It all began with Mr. Crouch's decision more than a year ago to set his office computer forward to Dec. 31, 1999, to test how it would handle the transition to the year 2000. The rollover happened without a hitch, even though the machine ran on a clone of Intel's aged 286 microprocessor chip a relic from the mid-1980s. But to his consternation, during the next two weeks the computer's clock jumped ahead to December 2000.
Other odd malfunctions cropped up.

Mr. Crouch's report oo these anomalies on the year 2000 forum at the comp.software news-group on the Internet intrigued Mr. Echlin. He set up experiments on several computers, then posted results suggesting Mr. Crouch's problem was not isolated.

But it certainly was baffling. While some testers reported computers jumping ahead for minutes or months, others said they experienced leaps backward, while on some machines the

clock appeared to simply slow down, Some afflicted computers were unable to locate the pathway to outside phone lines or even their own hard

disk, making it impossible to fire up programs.

"The jury is still out on exactly what is happening," said Douglas de Lacey, who oversees computer systems at Cambridge University's School of Arts and Humanities in Britain and bas reported encountering the Crouch-Ech-lin Effect on two aging Toshiba laptops.

Pressure for a verdict is building, though,

especially since a recent announcement from Compaq's Year 2000 office in Albany that said the company would be reselling the software fix created by Crouch and Echlin.

If the Crouch-Echlin Effect is real, computer users may have to spend billions of dollars testing and possibly replacing equipment that seemed ready for the next century.

Most Crouch-Echlin believers suspect that the problem stems from a glitch in the process through which computers can — each time they are turned on — update the time from a battery-powered chip called the real time clock, or RTC. The real time clock keeps track of time even when the computer's external power is switched off.

So far, the Crouch-Echlin Effect has only been observed in computers with "nonbuffered" real time clocks, a design not used in current namebrand computers but common in older devices.

"They make a very solid argument," said Jeff Floyd, a real time clock specialist for Motorola Inc., the giant semiconductor company that manufactured the real time clock chip on Mr. Crouch's computer.

Some critics suspect the supposed Crouch-Echlin Effect is a variation on common timekeeping problems that are caused by faults in a computer's power supply.

Others challenge the explanation, David Ross, an engineer with Phoenix Technologies, said the process by which a computer checks the time and date occurred too rapidly to create the situation Mr. Echlin had described. A more likely explanation, in his view, is that the mechanism in a computer that checks the time is simply confused

by encountering "00."

Mr. Ecblin insists that power supplies are not the problem because the computers performed flawlessly on dates earlier than 2000. He also bridles at charges that he and Mr. Crouch with held crucial evidence. Early this year, they sent the motherboard from Mr. Crouch's computer to Mark Slomick, a sympathetic technician at what was then Digital Equipment Corp.'s Year 2000 Expertise Center, to verify their results.

Digital was acquired by Compaq in June. in April, Barry Pardee, manager of the center, told Mr. Echlin that Digital had confirmed the Crouch-Echlin findings in its own tests.

IMPACT: Firms Cope With Slack Demand

Continued from Page 13

by a double whammy because of the global turmoil. In addition to the fall in international demand for Case's products, there is less call for the goods

that U.S. farms produce.

"Asia was a fairly significant buyer of excess-produced American food said Jim Mitchell, bead of Interstate Forge in Milwaukee, a major Case supplier. "They haven't done that this year, Farmers are sitting with next

year's crop not needing to be planted." As a result, Case is trimming back at the plants that make its tractors and combines, as well as at factories that build equipment used in construction and road-building. The first thing to go was the overtime that Case had relied on to meet strong demand in recent years without having to add too many fulltime employees. Mandatory sbutdowns

and layoff plans followed. Interstate Forge then began laying off

Advertisement

workers, and employment there is down about 20 percent from its April peak of

625 workers. We see the whole industrial base ticking down," Mr. Mitchell said.

"We've just cranked down the pace at which we produce parts," he added. We are not buying as much steel, we're not buying as much electricity, and we're obviously not buying as much labor.'

Case and other manufacturers are reacting more quickly than they have in the past to the first signs of weakness in orders for their products, Steven Lamb, the president of Case, said the company 'dialing down' its production to keep inventories more in line with worldwide demand, which he and others in the industry estimate will fall 15 percent to 20 percent next year.

The best thing that is different this time around is that all of the industry has taken significant production down-turns," Mr. Lamb said. "This industry has been notorious in the past for not

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doing that." This quick-response attitude is a hallmark of the business environment of the late 1990s.

It is also an approach that the Federal Reserve Board has taken, approving two interest-rate cuts in quick succession this autumn even though the U.S. econ-

omy was still growing at a healthy clip. "In this cycle, we are responding and managing the cycle rather than having the cycle manage us." Mr. Lamb said. He said companies were paying "a lot more

attention to managing their assets."

Case is doing this by incorporating suppliers into its planning and keeping its employees informed of up-to-theminute changes in market outlooks. That way, when the layoffs come or the orders to suppliers dry up, it may not be as much of a sbock as it was a decade ago when information was not so readily available or so widely shared.

I'm glad to see these short weeks," said Bonnie Rossmann, who assembles fuel tanks for Case's tractors. Before, we always overmanufac-

tured. This way, we're kind of facing it

INTERNATIONAL FUNDS

REGION: The U.S. South Feels Asia's Pain

Continued from Page 13

Carolina Pad's prodocts - are a big Indonesian-produced item.

"I'll know by mid-December how we stand against them in the back-to-school market for next fall, " said Joseph Hall, chairman and owner of Carolina Pad, which employs 130 people at \$7 to \$10 an bour, "And if they get in enough, I may have to cut out

our second shift. Construction activity in the Charlotte area offers a more visible signal of the erosion taking place. Buildings are going up everywhere. But it is construction that began months ago; ground is being broken for few new offices, factories or warehouses. Less visibly, job creation, strong last winter, has slowed, mainly because of a decline in manufacturing

jobs, a problem everywhere in America. Banks are lending more cautiously, encouraging developers, for example, to sign up more tenants in advance before

borrowing money to put up an office or apartment building. Corporate relocations, once a huge source of growth, have fallen, as has human migration. Fewer people from elsewhere in the United States are asking the Chamber of Com-

merce about opportunities in Charlotte.
"The home-building numbers I bave seen have started to tail off — you doo't bave the same influx of people," said William Hodges, managing director for real estate at Bank of America, which moved its headquarters here after merging last summer with NationsBank, a Charlotte institution that has expanded

expooentially in recent years. Bank of America, a unit of Bank-America Corp., and First Union Corp., another banking giant based here, have generated much of the office tower construction to accommodate their expanding national operations. Each occupies a skyscraper and each is planning to coostruct another office tower.

We have a built-in demand in this

community that will drive commercial construction growth for some time, said Malcolm Everett, president of First Union's North Carolina operation, referring mainly to the demand created by the banks themselves.

Overcapacity is inhibiting other con-struction. That is the problem for warehouses in Charlotte, which is second only to Atlanta as a distribution center for the Southeast. The warehouse vacancy ra has risen gradually, to a discouraging 15 percent from 10 percent in 1994.

Nor does the banking industry's building boom bold for botels. Two big hotel projects have either been canceled or delayed, focluding a 1,000-room structure that was to have gone up oo the old revival grounds of the evangelists Jim and Tammy Faye Bakker in nearby Rock Hill, South Carolina.

"A lot of new industrial capacity has been brought on line, and people are going to wait until they fill up some of that capacity before they go out and do it again," said James Buchanan, First Union's chief of commercial lending in the

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November 10, 1998

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INTERNATIONAL INVESTING

Disney Struggles to Keep Investors Smiling as Profit Slumps

By Paul Farhi

Washington Post Service

WASHINGTON - It used to be the happiest company on earth, at least among investors on Wall Street. Year after year, Walt Disney Co. spun solidgold profit from a one-of-a-kind global franchise of entertainment.

But lately, the financial magic seems to have deserted the Magic Kingdom. Stuck with a laggardly TV network, a rash of flop movies and a key market -- in recession, Disney's onceformidable business momentum has slowed to limping. This week, the California-based entertainment conglomerate said that its profit declined 24 percent from a year earlier in its fourth quarter, which ended Sept. 30, not including a one-time charge. That marked a rare hilestone for Disney: two consecutive

quarters of shrinking earnings. What's more, analysts say, the tempest has not blown over. The consensus seems to be that Disney has little hope of get-ting back on its golden track until 2000. Richard Simon, an

analyst at Goldman Sachs & Co., for example, estimates that Disney's earnings could fall nearly 40 percent this quarter; he and several other Disney followers recently trimmed their earnings expectations for all of 1999.

"The problems they have are not ping to go away quickly," said Dennis McAlpine of Josepthal & Co.

So what's wrong? Plenty: ABC, the network Disney acquired ben it bought Capital Cities/ABC Inc. in 1995, has become a problem child. Ratings remain stubbornly low -- down 5 percent this autumn season — and

Disney's only bright spot has been its theme parks, primarily its U.S. ones, where attendance and revenue have been strong.

> costs are rising faster than ad revenue. At the moment, the higgest burden on ABC is making payments on the \$4 billion deal it signed for rights to carry National Football League games on Monday nights and football games of the National Collegiate Athletic Association

Earnings at another Disney TV property, the ESPN cable network, once a major growth engine, were flat last quarter because of its expensive fontball commitments. ABC has also scrambled this week to contend with a lockout of unionized technical workers.

on Saturdays.

animated movies — its Thanksgiving release, "A

a hir - but its live-action movie husiness remains dicey. The studio got a big buildup

last month for "Beloved," starring the U.S. talk-show host Oprah Winfrey, but the film has earned just \$18.7 million in its first two-and-a-half weeks of release and is fading fast -- as is another recent Disney release, "Holy Man," starring Eddie Murphy. Disney's main summer release. 'Armageddon,' was an international success, but the company will not realize much profit from it because of the movie's \$140 million in pro-

duction and advertising costs. As the most international of the American entertainment companies, Disney has been the most vulnerable to

Disney is still unrivaled in Asia's economic troubles. All things Disney in the region have suffered as a result: theme-park anendance, video Bug's Life," is predicted to be sales, movie attendance and souvenir purchases, among others.

Disney executives acknowledge the trouble spots but suggest the results are not unexpected, given the company's heavy investment in new projects. Disney this year launched its new cruise line, the Animal Kingdom park in Orlando, a chain of entertainment centers called DisneyQuest, and an ESPNZone restaurant in Baltimore. It is also huilding new attractions at Walt Disney

World and Disneyland. While start-up and operating losses from many of these new business initiatives have negatively impacted earnings from 1998, I believe they will be important contributors to Disney's long-term growth," the chief executive,

Michael Eisner, said this week. Stewart Halpern, an analyst at ING Baring Furman Selz, says Disney spent about \$200 million or so on these projects in its latest financial year, or roughly 6 cents a share. Without that, Disney's annual profit of \$1.85 billion would have been about 11 percent higher.

Disney's only bright spot of late has been its amusement parks, primarily its U.S. ones, where attendance and revenue have remained strong. But it is also a potential Achilles' heel if the economy slows. "The first thing people will do in a recession is cancel their vacation, Mr. McAlpine said.

Jill Krunck, an analyst at Salomon Smith Barney, agrees that 1999 will be a "transition year" for Disney, but she wonders what is beyond the transition. In a report to investors last Wednesday, she wrote that while Disney was clearly planting seeds for future growth, many of these businesses may not generate profit margins to match those of the businesses Disney created 10 years ago, such as cable-TV networks, new theme parks, its Disney retail chain and enormously profitable animated fare such as "Beauty and

the Beast" and "Lion King."
Thus far, the muddled picture for Disney has not translated into a wholesale revolt by investors. Disney's stock was at \$29,0625 in early trading Tuesday, down 50 cents. That is well off its peak of slightly more than \$42 a share in May, after a 3-for-1 split, but it is selling at about the same price as last year.

• A judge in Milan ordered the former head of Saiomon Smith Barney's European investment bank and a man-

Very briefly:

aging director of its equity capital markets division to stand trial on corruption-related charges. Prosecutors allege that William Strong, former head of the European investment hank of Salomon. a unit of Citigroup Inc., and Manilo Marocco, a managing director in equity capital markets, were involved in a corruption scandal in which bribes were paid by an insurer, Societa Assicuratrice Industriale SpA. to secure sales to employees of ENI SpA, Italy's

largest energy company. • Thailand reduced a planned 422 billion baht (\$11.3 billion) auction of assets seized from failed finance companies, amid a central bank investigation into whether some of the loans being sold had been made illegally. The move is a blow to Thailand's effort to fund a revival of its banered finance industry. About two-thirds of the country's lenders have been shuttered or seized in the past year amid the nation's deepest recession in 30 years. The agency bad promoted the sale, set for Dec. 2, as the world's higgest-ever one-day asset Authorines said the auchon would still be held.

 National Australia Bank Ltd. posted its sixth straight record profit. Westpac Banking Corp. expects to see a 7.4 percent increase in earnings, and Commonwealth Bank of Australia Ltd. predicts profits will climb through 1999. Australian bank executives attribute the results to tight regulation and an aversion to risk that many U.S. and European banks would have done well to emulate. Separately, St. George Bank Ltd. reported a 16 percent rise in second-half profit, helped by its acquisition of Advance Bank of Australia Ltd. and the retail fund manager Sealcorp Holdings.

 Commerzbank AG is likely to outshine its German compentors when it posts nine-month earnings Wednesday, as it is less exposed to volatile investments than many rivals, analysts at Merck Finck & Co. said, adding that Commerzbank was expected to "significantly outperform' Deutsche Bank AG and Dresdner Bank AG, A Salomon Smith Barney analyst, Matthew Czepliewicz, said the bank's slowness in developing investment-banking operations had shielded it from serious losses in Eastern Europe. Bloomherg, Remera

Italian Firms Invest in Themselves to Prop Up Shares

MILAN - Investors have shown little interest in buying shares of small Italian companies, so executives have found another way to bolster share prices — they are dipping into corporate

coffers to buy shares themselves. Ittierre Holding SpA, which makes garments for Italian fashion bouses such as Gianni Versace and Gianfranco Ferre, plans to repurchase 10 percent of its stock. Companies with similar plans include Castelgarden SpA and Manuli

Rubber Industries SpA.
Our shares are worth more than the market is saying at the moment," said Ittierre's chairman, Tonino Perna. "The company is in good health, and we are more than willing to invest in ourselves.

This gives us the opportunity to do just Dismayed by the slump in its share price — Intierre is trading 35 percent. below its high reached in April - the company is opting to huy back stock to

drive values higher, Executives want to lift stock prices not only to show that investors were not overcharged when they bought the shares but also to make it cheaper to

finance future acquisitions with stock,

Buybacks are a way of signaling to the market that companies believe in themselves," said Sergio Governale, an analyst at Borsaconsult SIM in Naples. Companies also buy back their own

shares when there are few other ways to spend their money, such as acquiring rivals or investing in research and development Mr. Governale said many of the latest decisions were "compulsory" because

worth more than the market is saying. companies had not found competitors to buy or joint ventures to Many companies that listed shares

on them just a few months after having hounded them to go public. Castelgarden SpA, which makes lawnmowers and other gardening equipment, will huy back 10 percent of stock just five months after it first

this year thought the market had turned

sold shares to investors. At that initial sale in June, investors asked for 10 times as many shares as the company was selling at 8,550 lire per sbare (\$5.15); the shares have since fallen as low as 3,620 on Oct. 8, the day Castelgarden announced plans to repurchase 20 billion lire of shares for as much as 9,500 lire each. Since then, the shares have rallied almost 40 percent. On Tuesday, they closed at 5,080, down 14.

CSP International Industria Calze SpA initially rose more than 8 percent immedi-'Our shares are ately after the hosiery maker announced a huyback plan Oct. 20. CSP, which said it would buy back shares

for as much as 20,000

lire, recently traded at

about half that. Manuli Rubber lifted its stock price 20 percent by offering to buy its shares for as much as 12,000 lire each. Still, the shares recently traded at 4,860, or 14 percent below their initial offering price in July 1997 and 58 percent under the

high reached in June. 'We think our share price should be higher, considering the good economic situation of the company," said Aldo Occari, chairman of the maker of car

Recently, the company projected that oup sales would rise 35 percent, to 600 hillion lire, in 1998. Manuli Rubber

Manuli Rubber said it planned to use

incorporated into the overall structure of

the company, further helping sales and

the new sbares for yet-to-be approved stock options for managers and as payment for future acquisitions. Mr. Occari said it would pursue its plans to acquire "target companies," though he did not indicate where such acquisitions might occur. After its initial public offering. Manuli expanded internationally with acquisitions in South Korea, Argentina and Poland. The company also bought a controlling stake in Murray Europe

SpA, a supplier to the country's largest carmaker, Fiat SpA. Most stock buybacks are designed to pay for previous acquisitions or to fund are swaps with future partners.

Brembo SpA, which makes brakes for Fiat SpA's Ferrari unit and Texas Pacific Group's Ducati motorcycle maker, is doing the former, paying for acquisitions, while Industria Macchine Automatiche SpA, a maker of packaging equipment, said it was doing the latter.

'It is a further instrument at our disposal," IMA's chief executive of-

ficer, Alberto Vacchi, said.

November 10, 1998 Advertisement INTERNATIONAL FUNDS To receive free daily quotations for your http://www.iht.com/iHT/FUN/funds.html Katy Houri: Fax (33-1) 41 43 92 12 or e-mail: funds@iht.com 112 MERRILL LYNCH BANK (SUISSE) S.A. 922 ## Ris Book Euro Ey Fol (NLC) | F. | 53,58, | ## Ris Book Euro Ey Fol (NLC) | F. | 50,66 | ## Ris Book Euro Ey Fol (NLC) | F. | 50,66 | ## Ris Book Euro Ey Fol (NLC) | F. | 50,66 | ## Ris Book Euro Ey Fol (NLC) | F. | 60,66 | ## Ris Book Euro Ey Fol (NLC) | F. | 60,67 | ## Ris Book Euro Ey Fol (NLC) | F. | 60,67 | ## Ris Book Euro Ey Fol (NLC) | F. | 60,67 | ## Ris Book Euro Ey Fol (NLC) | F. | 60,67 | ## Ris Book Euro Ey Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | ## Ris Book Eyes Fol (NLC) | F. | 60,67 | A 1985 Cannel Print Act of 1985 Act of 1985 Cannel Print Act of 1985 Ca G Offithore Asian Smill MASS, 5 of Offithore Revenue Co Fo 6 of Offithore Revenue Co Fo 6 of Offithore Revenue County of Offithore UK C Ground Financial Fed Lists

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U.S. Drafts a Plan to Help With Asian Debt

WASHINGTON - President Bill Clinton may propose next week

a plan to help Asian nations restructure corporate debt and recapitalize their banks, according to two presidential aides and a banking official close to the discussions.

The plan would be unveiled during the summit meeting of the Asia-Pacific Economic Cooperation forum in Kuala Lumpur, the officials

"The U.S. has to put its own plan on the table that shows U.S. engagement and responsiveness to this crisis," said Ernest Bower, president of the U.S.-ASEAN Business Council, whose members include Chase Manhattan Corp., General Electric Co. and United Technol-

U.S. Treasury officials and Mr. Clinton's economic aides have been exploring with Asian nations and international banks ways to accelerate restructuring the foreign-currency debt of companies that have

been hobbled by the plunging value of their home currencies, the officials said.

Administration officials say no final decisions have been made about the size of any U.S. financial commitment.

Japan last month pledged \$30 billion to help the region's emerging economies promote trade and help businesses expand and restructure

The Japanese finance minister, Kiichi Miyazawa, said he had not heard anything about the U.S. plan. If one were proposed, he said, "it

would be welcomed." A spokesman for Prime Minister Keizo Obuchi added that Tokyo would make new proposals at the APEC meeting, although he declined to discuss specifics of the plan.
"Prime Minister Obuchi will ex-

plain Japan is determined to recover the Japanese economy first and then try to play a leadership role in the spokesman said.

retary, said Tokyo would attend the APEC meeting with a "resolution" to tackle regional economic issues.

The United States has long resisted the idea of setting up a standing fund in Asia that might compete with the International Monetary Fund and other global institutions, saying such a fund would promote regional blocs. Late last year, just before the most recent APEC summit meeting, the Clinton administration rejected a Japanese plan to

set up a regional bailout fund. . Any effort now to reheve corporate debt would need to be enormous, said Bob Litan, a scholar at the Brookings Institution in Wasb-

It would have to be north of \$50 billion, and if they do this it would be a big deal," he said. "Let's face it, it's sorely needed.

Unlike in Latin America during the 1980s, most of the debt in East Asian economic situation," the Asia is corporate rather than government debt, according to the In-

Malaysia, Thailand, South Korea,

Indonesia and Japan - as the 17-

month-old currency and debt crisis

has crimped demand, created excess

capacity, reduced investment flows

The government cut its forecast

for economic growth in 1998 to be-

tween 0.5 percent and 1 percent from

a range of 0.5 percent to 1.5 percent. It also gave an estimate for 1999 for

the first time, saying the economy

could expand by as much as I percent

or shrink by the same amount. The

economy grew 7.8 percent last year.

not a bad recession," said Najeeb

Jarhom, bead of research at Fraser-

AMMB Research. "I see the re-

covery as a prolonged process over a

one- or two-year period starting at

Singapore would continue to fare

better than some of its neighbors,

noting that the decline in output in

the third quarter was actually smal-

Other economists agreed that

the end of next year.

"It will be a moderate recession,

and led to a surge in bad debt.

Hiromu Nonaka, chief cabinet sec- ternational Monetary Fund. More than 85 percent of the debt in South Korea, Malaysia and Thailand at the end of 1997 was corporate debt, it said, and much of that is owed to Japanese banks. The IMF has already organized bailouts totaling \$123 billion for South Korea, Thai-

fand and Indonesia. It is unclear how or whether the Clinton plan would fit in with the Japanese \$30 billion aid pledge. That proposal may include support for corporate restructuring elforts and help for governments to subsidize losses associated with lowering tariffs.

The president of the World Bank, James Wolfensohn, said in Tokyo that be was impressed with Japan's pledges to help revive its own and the region's economy. Japan accounts for about two thirds of Asian's total output of goods and services.

The Japanese government should be getting a lot more credit than they are for a lot of these steps, which are tangible," he said.

Cathay Pacific To Take Control Of Philippine Air

MANILA -- Philippine Airlines has accepted an offer from Cathay Pacific Airways that would give the Hong Kong-based carrier control of the struggling Philippine airline, the companies said Tuesday.

The two airlines will now draw up a comprehensive plan to rehabilitate Philippine Air. Un-der Philippine law, Cathay could buy 40 percent of the carrier.

Finance Secretary Edgardo Espiritu said Cathay's offer involved the infusion of \$75 millian to \$100 million into the financially troubled carrier, but he did not say what percentage of Philippine Air this would place with Cathay.

An investment from Cathay would be accompanied by an additional investment by Lucio Tan, Philippine Air's chairman, the two airlines said.

President Joseph Estrada of the Philippines said he would accept any accord as long as Philippine Air remained the country's flag carrier.(AP, AFP)

Firm Rates **Hit Markets** Across Asia

Bloomhere News

SEOUL - Stocks tumbled Tuesday in some Asian markets, parricularly South Korea, Singapore and Thailand, on concern that weakening currencies in the region would delay further cuts in interest rates, keeping many economies mired in

In Scoul, the benchmark index dropped 21.21 points, or 5 percent, to 403.24, its biggest one-day decline in two months.

In Singapore, the Straits Times index fell 3.87 percent. In Thailand, the SET index was down 7.48 per-

Asian stock indexes rose sharply last month - at least in dollar terms - amid a rally in the region's currencies.

Those currencies were helped by a half-point cut in U.S. interest rates. But signs of strength in the U.S economy, which helped fuel a five-week rally in U.S. stocks, have now eased pressure on the Federal Reserve Board to push rates lower, taking the wind out of Asian currencies also. When interest rates fall, investments denominated in that country's cur-

rency become less attractive.
"It wasn't fundamental changes in the economy that drove the currencies and markets higher - it was the rate cut by the U.S., said Flavia Cheong, an investment manager at Aberdeen Asset Management Asia Ltd. in Singapore.

The decline in the yen against the dollar in the past week has triggered expectations that monetary authorities across Asia will have to keep

interest rates bigh to discourage investors from selling their currencies. The decline in Thai stocks was fueled by concern that a slower-

than-expected decline in commercial bank lending rates will keep the cconomy mired in recession and banks' had debts high. But some analysts said their concerns ran deeper than just interest

rates, saying further structural changes were needed in the financial industry. "Though the economy is in a

process of bottoming out, getting interest rates down isn't enough," said George Morgan, managing di-rector of ABN-AMRO Asia Securities PCL.

Banks and companies must re-



Very briefly:

• Nissan Motor Co. had a loss of 32.55 billion yen (\$267.5 million) in its first half, which ended Sept. 30, because of slumping sales and massive stock losses, prompting Japan's second-largest automaker to predict its sixth full-year loss in seven years.

 Konami Co., a Japanese maker of computer-game software, plans to list on the London Stock Exchange in February and is considering a listing in New York by 2001.

 Softbank Corp., Japan's largest distributor of personal-computer software and peripherals, said earnings rose 39 percent, to 3.29 billion year, for the six months that ended Sept. 30 as it sold stockholdings to offset slower performance at U.S. units such as Ziff-Davis Inc.

· Brierley Investments Ltd., a struggling New Zealand investment group, plans further asset sales and reorganization measures while it continues to resist Roy Disney's attempts to gain management control.

• Tenaga Nasional Bhd., Malaysia's biggest power utility, posted its largest-ever loss of 3.09 billion ringgit (\$815.3 million) for the year that ended Aug. 31 as foreign-exchange losses wiped out earnings

 Kookmin Bank, one of South Korea's three biggest commercial banks, will sell a record \$500 million of new shares to

· South Korea will ban banks from lending more than 25 percent of their capital to any one business group from January 2000, six months earlier than originally planned.

· Indonesia's currency should strengthen and its economy could return to growth of about 6 percent to 7 percent a year, a senior International Monetary Fund official said, Private economists expect a contraction of 20 percent this year.

• China's crude-oil imports fell 4 percent, to 2.16 million tons, in September from August after refineries cut production capitalize properly before domestic in line with slowing growth in domestic and overseas de-

Singapore Slides Into Recession

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SINGAPORE - Singapore slipped into recession in the third quarter for the first time in 13 years. the government said Tuesday, falling victim to a crisis that has hit its Asian neighbors far more severely.

The Ministry of Trade and Industry said the island-state's economy shrank 3.5 percent in the third quarter from the second. The drop was led by declines in commerce

Singapore's economy.

.In the second quarter, the economy declined 1.4 percent from the first period; the two consecutive quarterly drops signal that the country has technically entered a recession. In the third quarter, the economy declined 0.7 percent compared with a year earlier.

"It's just beginning," said Lee Yong Seng, an economist at Nikko Research Center. The possibility of layoffs, especially for the service and manufacturing, two key drivers sector, is there. of the electronics exports that fuel

- Singapore joins its recession-hit Asian neighbors - Hong Kong,

China May Make Airbus Parts

LONDON - Airbus Industrie may offer Chinese companies a chance to build wings for some of its planes to help it sell aircraft to China, according to British Aerospace PLC, a member of the European aircraft-

making consortium. Airbus could invite Chinese companies to make some wing parts and even entire wing sections for A320s, the best-selling Airbus model, BAe's chief executive, John Weston, said. BAe designs and builds wings for all Airbus aircraft.

"They might do the whole wing

Mr. Weston said. · BAe; a 20 percent partner in Airbos, holds all the licenses and patents for the wings. Airbus, like its American rival Boeing Co., is eager to court favor with China, whose airplane market is expected to be-. come the world's fastest-growing over the next 20 years. Asking Chinese companies to make the wings would improve Airbus's

China's fledgling aircraft industry.

section; that's not been ruled out."

ler than expected. "The key word for the Singapore economy is resilience," said Neil Saker, head of Southeast Asia economic research at SG Securities Singapore, which is maintaining its prospects in China and give a lift to forecast of 1,1 percent growth for (Bloomberg, AFP)

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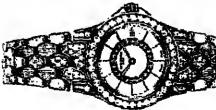
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WORLD ROUNDUP

Dalglish and Kerr Consider Celtic Bid

SOCCER A consortium headed by Kenny Dalglish, a former player with the club, and the pop star Jim Kerr has requested a meeting with Celtic soccer club to discuss a takeover, the Glasgow club said

Tuesday.

The Scottish champion said the group had requested a meeting with Fergus McCann, the chairman and managing director, who has said he plans to sell his majority stake.

Dalglish played for Celtic before moving to England to play for Liv-erpool. He later managed Liverpool, Blackburn Rovers and Newcastle. Kerr is the lead singer of the band Simple Minds.

Serve Saves Ivanisevic

TENNIS Goran Ivanisevic, seeded No. 3, served 18 aces Tuesday but still struggled to beat Carsten Arriens of Germany in the Kremlin Open in Moscow. Ivanisevic failed to break a

single serve and won both sets on a iiebreaker, 7-6 (7-5), 7-6 (7-3). Yevgeni Kafelnikov of Russia,

the defending champion, outlasted a countryman, Andrei Cherkasov, a wild card, 6-3, 6-4. Raemon Sluiter of the Nether-lands eliminated the No.7 seed. Daniel Vacek of the Czech Re-

public, 6-2, 6-4. (AP)

• In Stockholm, Wayne Arthurs
an Australian doubles specialist beat Karol Kucera of Slovakia, the No. 2 seed, 7-6 (7-5), 7-6 (7-4), in the first round of the Stockholm Open. Arthurs, 27, is ranked No. 168 in the world and was competing in only his third ATP singles

event of the year. "I had nothing to lose," said Arthurs. "If I lost, nobody would cared; if I won, everybody would be very surprised," (AFP)



Goran Ivanisevic hitting a backhand to Carsten Arriens.

Capitals Sign Goalie

HOCKEY The Washington Capitals signed Olaf Kolzig, the goalie who led the team to its first appearance in the Stanley Cup finals last season, to a four-year, \$12 million contract.

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Sacrilege at Wembley Stadium?

'Church of Football' Faces Losing Twin Towers to Demolition

By Rob Hughes

ONDON - Memories are binding on our lives. At the 11th hour of the 11th day of the 11th month. countless millions share the Remem-brance dedicated to the dead of World War I. And, lest we forget that sport, ion, is built up on memories, a rare old argument is simmering in London.

Wembley Stadium, a symbol of soccer wherever the game holds meaning, is in its last season. The 75-year-old arena is withered beyond any face-lift. Demolition will follow the English FA Cup Final next May, but when the new Wembley opens in 2002, something irreplaceable could be missing.
Think of Wembley: Those white con-

crete twin towers surely spring to

Out of that image tumbles, depending on your age and your interest, triumphs of sportsmen and sportswomen at the 1948 London Olympics, the Stanley Mathews Cup Final in 1953, the Madical Magnets of Huggers siving Features gical Magyars of Hungary giving England the mother of all soccer lessons that same year, and the 1966 World Cup. which remains the pinnacle of English sporting success.

So many, many personal remembrances, each triggered by the sight of those two towers. The architecture is dated; the towers have nothing but dec-orative purpose, so who cares if they are consigned to history along with the rest

of the rubble?
Pele cares. He, the greatest player never to adom Wembley's green sward, still lights up at the mention of Wembley. The church of football, he calls it. Ask Pele, ask anyone, to sketch this church, and the outline is enshrined in of the rubble? the Twin Towers.

The Brazilian hails from an era when romance was as much a part of soccer as the money. Yet the mystique of Wembley, the idea that it is the spiritual home of the sport, has survived soccer's increasingly mercenary attitudes.

Andrei Shevchenko, the Ukraine who

could soon become the costliest player on earth, spoke of being lifted against Arsenal last month because the match was at Wembley.
Danes, Poles, Argentines, Germans,

Wembley excites them. They grow rich beyond desire, isolated by fame and fortune, yet remain schonlboyish be-

the little Sardinian in his third season for Chelsea, scored Italy's winning goal against England in World Cup qualifying, and said he was humbled by doing it at Wembley. "That," be said,

'was my dream." So sentiment is not confined to those who merely watch. Heaven help me: Is it age that makes a man nostalgic for a building that has fallen into disrepair? Is it foolish to care for an immovable monument wheo the movement of sport what counts?

I think not. Wembley is a landmark knowo round the globe - surely the

VANTAGE POINT

goal of any architect. England has this permanent facade 10 "The Venue of

A new Wembley with all modern conveniences is the goal. Fair enough. As a British tax payer whose funds will be poured into the stadium, I am enotled to plead for the Twin Towers. Wembley without them would become just another sporting bowl, no grander than the Stade de France outside Paris, the San Siro in Milan, the decaying Maracana in Rio de Janeiro. Palaces of their time and place, all of them, but not Wembley.

We are told the cost of the new stadium is escalaring alarmingly since it was estimated three years ago at £168 million (\$280 million). That cost could now be doubled.

Yet with Weorbley a magnet to foreign visitors, like the Houses of Parliament or Buckingham Palace, many can see the point of rebuilding it as a state-of-the-art venue. Britaio's political masters have, after all, committed their cirizens to a Millennium Dome, a piece of contrived symbolism through which oo figures of renowned athleti-

cism have passed.
This week, it is expected, the British National Lottery will buy Wembley for £105 million from the publicly quoted company that rents it to the English soccer authorities and other sporting bodies. The demolition and redevelopment will then be administered by twin companies under the chairmanship of Ken Bates.

Bates, as savior and chairman of Chelsea, a Londoo soccer club, has with brutal brilliance reshaped a debt-laden club he purchased for £1 into a force in Europe. Chelsea's rebuilt stadium is the

neath the twin towers. Gianfranco Zola, crown jewel in Chelsea Village, Bates's complex of luxury apartments, botel,

"I am totally open-minded," Bates said Monday of the Wembley redevel-opment. "You either have the Twin Towers or you have progress."
His friend Tony Banks, the British

sports minister, said: "We cannot allow sheer emotionalism to drive this. We are trying to produce the finest stadium in the world, and as the project stands it will be difficult to keep the towers. We have to bite that bullet.

It appears that Banks has known for some time "two years or more" that the towers would go. Apparently they were cast out of ferro-concrete and might crumble beneath the effort to move them. The architects plan to shift the playing field in order to build a mul-opurpose arena for an Olympic bid in 2012 and a soccer World Cup in 2006. The center circle of the soccer field

would be where the towers now stand.
"I don't think the Twin Towers are that controversial or are that significant to the new stadium," said Graham Kelly, the chief executive of the Football Association.

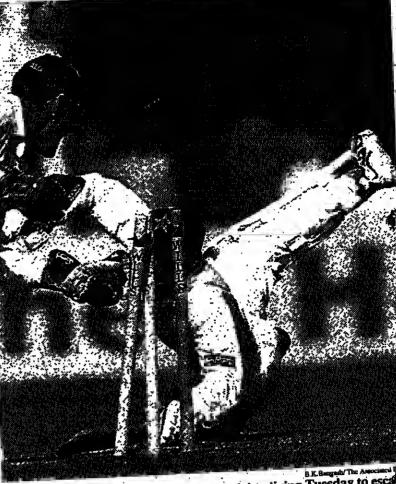
No? Why then did he sign, a pledge in February that "the British government, the English Sports Council and the Royal Institute of British Architects together with the National Stadium Trust will ensure the new stadium combines the modernity and sophistication expected of a world class venue with the very best of the existing Wembley Stadium tra-dition. After all, how could there be a Wembley Stadium without those legendary twin towers?"

The promise was writteo in the official newsletter of England's World Cup 2006 Campaign last February. If Cup 2006 Campaign last February. If the architects cannot grasp the nub of Wembley's appeal and boild upon it, change the architect. And if cost is the problem, put it to the people.

What we have now is deception. Wembley was nominated over four other English sities.

English cities, some of which had greater space and more imaginative designs, be-cause it is in the capital and because Wembley boasts history. Twin towers are integral to that, and twin towers adorn the brochures and the calendar the Football Association will sending oot for 1999.

Rob Hughes is chief sportswriter of The Tunes of London.



The Pakistani batsman Yousaf Yohana, right, diving Tuesday to escap an attempted stumping by Adam Gilchrist, Australia's wicketkeeper.

With Pay Dispute Settled, **West Indies Starts Tour**

Cricket Team Finally Arrives in South Africa

JOHANNESBURG - Brian Lara

apologized Tuesday as the West Indies cricket team finally arrived for its first post-apartheid tour of South Africa, but he avoided discussing the pay dispote that had threatened to end the trip before Lara refused to discuss the settle-

ment, saying it was "totally confidential." The West Indies captain added, "These things happen in sport. We hope that people will onderstand the situation."

"The team is here to win the test series." he said, "and the whole team, from Jimmy Adams, is fit."

Adams, a batsman, cut the little finger. of his right hand with a bread knife while trying to cut through a hard roll on the flight over, said Ali Bacher, head of South Africa's United Cricket Board. The team arrived without two fast

bowlers, Courtney Walsh and Curiley Ambrose, who missed their London concection Monday for the flight to South Africa, Bacher said. The first match of the tour, scheduled

for Tuesday, was canceled, and the West Indies will open with a one-day match against a Gauteng provincial side

in Soweto oo Wednesday.

The tour is the first by the West Indies since the fall of apartheid in South Africa, where cricket is followed mainly by whites. The presence of the

black Caribbean team is a boost to efforts to promote the sport among South African blacks, who mostly follow soc-

Problems started last week when Lara and the vice captain. Carl Hooper, re-fused to go to South Africa, demanding better pay and conditions. They were suspended, but reinstated as part of the settlement Mooday.
West Indies cricket officials said the

pact calls for no increase in the players in fees for the South Africa tour bot that the payments would be restructured. The West Indies board promised to try to improve pay on future tours. It also agreed to recognize the role of the playerage and the grievance and disciplinary code and work toward a joint marketing program that would allow players a share in revenues. (AP, Reuters)

Australia Beats Pakistan

Adam Gilchrist and Ricky Ponting each hit centuries to lead Australia to 8 six-wicket victory over Pakistan in the final one-day international Tuesday, The Associated Press reported from

Lahore, Pakistan.
Pakistan batted first and made 315 for eight wickets. Ijaz Ahmed and Yousaf Youhana both made ceoturies. Gilchris hit 103 and Ponting made 124 oot out as Australia reached 316 for four in 48.5 overs. Australia won the series, 3-0.

Ronaldo's Injury Crisis Passes Quickly mes. Juventus, the Italian champion. Borussia Gets Rid of Coach

The Assin uned Press

Inter Milan said Tuesday that Ronaldo's latest knee injury was not as serious as initially feared and that the Brazilian striker would play against Sampdoria on Sunday.

Club doctors said that Ronaldo, who limped off the field with a bruised left knee during a 2-2 draw Sunday against AC Milan, will resume training Wed-

He will miss the third-round secondleg of the Italian Cup against Castel di Sangro on Wednesday.

Ronaldo struggled at the start of the season due to tendinitis in both knees. Before leaving the field Sunday, he had scored his third goal in three league

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is also struggling with injuries and said it will start a Croat defender at ceoter forward and will also start some players from its junior teams in its Italian Cup match Wednesday. lgor Tudor, who usually plays in de-

fense, will lead the attack in the thirdround second-leg game of the Italian Cup against Venezia. Juve will be without forward Aless-

andro Del Piero, sidelined until March with a knee injury. The team also will be without the French midfielder Didier Deschamps, the striker Filippo Inzaghi, the goalie Angelo Peruzzi, the defender Mark Iuliano and the midfielders Antonio Conte and Alessio Taccbinardi.

GENEVA PRETTY WOMAN

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STATES THE TANK SPACES

Borussia Moenchengladbach, which is bottom of the German Bundesliga, fired its coach, Friedel Rausch, Tuesday and hired Rainer Bonhof, a former German internacional. The Associated Press reported from Moenchengladbach.

Bonhof played for Moenchenglad-bach in the 1970s, when the club won the Bundesliga five times. In its last two matches the team has conceded 15 goals. Rausch, 58, was hired in April, and under his guidance the club escaped demotioo in the final game last season.

The club also fired its manager, Rolf Ruessmann, who has been faulted for acquiring wrong players.

SCOREBOARD FOOTBALL

MONDAY EXSULTS

Teresta G of 1-1 First Period: None. Second Period: None. Second Period: None. Third Period: New York, Lapounte 6 (Prion) 2 T. McCauley 3 (Yushkerich, Karaley) 3, New York, Odjick 3 (Miller, Berord) 4, New York, Netrochinov 1 (Walt, Hartack) Shets on godi: New York 8-5-6—19. T. 14-13-12—39. Gentless New York, Soio, 7-Joseph.

Goolies: New York, Solo, T-Joseph.
Los Angeles

Vancouver

1 1 1—2

First Period: L.A. Murroy 5 (Perrecult)

Ish), 2, L.A. Robitotte 7 (Norshon, Johnen)

V. Mogliny 4 (Messlet) (sb), Second

Period: V-Zesel 3 (Ohland, Kichl) 5, L.A.
Robitotte 8 (Murroy, Doctesoe) Third

Period: V-Nostand 5 (Mogliny) 7, Los
Angeles, Tsynichtov 3 (O'Donneti) Shelts an

goal: L.A. 10-8-5-22, V- 5-11-3-19.

Geoffies: L.A. Legoon, V-Soon, Hirsch.

ICEHOCKEY NFL STANDINGS NHL Standings EAST PC. PF PA 6 3 0 .667 165 123 6 3 0 .667 220 151 S 4 0 .556 200 196 5 4 0 .556 201 179 1 8 0 .111 142 241 WEET 9 0 01.000 300 169 6 3 0 .667 156 158 5 4 0 .556 196 142 4 5 0 .444 160 167 3 6 0 .333 113 166 GENCINE MODEL, Sturing, Barb 20's, Explaine and Begant Esting service fundar 1371 550 552 EAST Pct. PF PA 6 3 0 667 224 121 5 4 0 556 154 197 2 7 0 222 59 205 1 8 0 .111 141 270 HIGH LIFE " VIENNA " 24 Ima NOST EVOLUSIVE ESCORT SERVICE VIENNA LICENSTREE BE CREAT CARE CENTRAL 8 1 0 889 296 167. 6 3 0 667 239 193 4 5 0 444 143 176 7 4 0 333 164 198 For the 1971 ST: Escrit Service Since 1957 Te: -5970 CO 6222 765420 3827 LONDON, HAMPSTEAD AREA NEISHA Champa Educated & Adjacone, Procee Escal Santa Tel 2171 87 29136 WEST 7 2 0 .778 253 176 7 2 0 .778 273 186 4 5 0 .444 162 201 3 6 0 .333 174 216 MADRID PRESTICE BARCELONA THE BEST EXCLUSIVE ESCURT SERVICE CREET CARCS TO 434912803568 MARISSA EXOTIC BOUNTS SERA). 14 hour establishment of the state of the state

Membred

First Period: M-Rucinstry 2 ISonoge,
Ouintell 2, M-Sonoge 3 (Rucinstry, Aronet)
Second Period: P-Doigle 2 (Sillinger,
Richardson) 4, M-Stevenson 1 (Poute,
Countel) Third Period: M-Sonoge 4 IBruner)
6 M-Corson 3 (Recchi, Damphovssel (ppl.
Shots en gedt: P-4-10-17-31, M-9-3-7-19,
Gandles: P-Vanblesbrouck, M-Theodore,
M-Y, Islanders 0 0 2-3
Teresto

BASKETBALL

MAJOR COLLEGE SCORES Vanderall 72. Providence 64 Texas Coll. 74. Houston Baptist 73 Utah St. 96. Sunsa Praser 79

THE PREASEASON AP TOP 25 MEN.

You 25 teams in presented make 151-place Press' men's bestemed poll, with 1st-place votes in parentheces, 1997-96 records, total points based on 25 points for 1st-place vote strough 1 point for 25th-place vote, and final

1. Duke (34: 2. Connecticut (25) 3. Stanford (12)

Calitomia 92. Memphia 79. South Carolina 74.
Núnnesoria 65. Georgia 50. UNILV 50. St.
Johns 37. Georgia Tech 32. Walke Feesti 31.
Oklahama 30. Princeton 23. Penn St. 19. N.
Carolina St. 18. Milanti, Otho 17. Col. of
Charleston 15. Fresno St. 15. Georgia
Wushington 13. Milanti 12. Teams 18. Florida 8.
N. Artama 6. Tulsa 4. Ala. Birmingtons 3.

Top 25 teams in Associated Posst sement's presented rolling institution for the piece state in parentheses, 1997-98 records, total points based on 25 points for 1st-piece vote through 1 point for 25th-piece.

1. Tennessee (42) 2. Louisiona Tech 3. Connecticut 4. Duke 5. Purdue 6. UCLA 7. Georpid 8. Virgiala 9. Aletsomo 19 North Comming 22-10 20-10 26-5 25-3 25-7 22-10 22-11 21-6 20-9 21-7 21-8 21-16 21-17 21-18 21-18 21-18

25. Itilnois 28-10 12.6 16
Others' receiving values Floridos International 112. Colorido Stala 102. Perin Stois
102. Wisconsin 80. Cleanen 65. Washington
60. Southwest Missoud Stala 58. Membris
51, Oregon 22. Virginis Tech 22. Aubten 16.
Beylor 16. Nabroslar 14. Lostardile 12.
Westen Kentucky 11. Toledo 7. New Mexico
6. DePoil 4. Marrys- Coff. 1, Toleane 1.
Micrigon 2. St. Marrys- Coff. 1, Toleane 1.

CRICKET PAKISTAN VI. AUSTRALIA.

SOUTH AUSTRALIA VS. ENGLAND FOUR-DAY MATCH, FOURTH DAY. TUESDAY IN ADELAIDE, AUSTRALIA England: 187 and 457-4. Match ended in a draw.

W. Ack

SHABJAN CHAMPIONS' TROP ZIMBABWE'VS, SRI LANKA tiwe won by 24 rens.

SOCCER

TRANSITIONS

MAJOR LEAGUE BASEBALL

AMERICAN LEAGUE

AL-Announced millement of Don Donkinger, unpire. Announced finet-Rick Reed
has been promoted to unpiring crew chief.
Appointed Ed Mickox to unpiring staff.
SEATTLE—Acquired RHP Mark Leffertrom
the Philodelphia Philines for LHP Paul Spoiinfe:

MATICMAL LEAGUE
M.Y. METS—Announced flort Sleve Philipper 3, general manager, has been granted a leave of absence. Named Frank Casher Interim general manager and Gene Kerns East Coast scorling appervisor.

SAN FRANCISCO—Re-staned RHP Mark.

Gardner to 2-year contract. FOOTBALL

PROTEALL LAGUE
INDUMAPOLIS—PUT FB Cody Heyword on non-football injured list. Signed FB Kantrey
Bucher from Bullob practice squed.
MANU—Colmed WR Theory' Unversible
off walvers from Son Francisco 49ers. Walved
WR Desis Montons.

HOCKEY PATIONAL HOCKEY LEAGUE -BOSTON Re-signed O Kyle McLaren to 3-year controct. CHICAGO - Assigned D Room Royer to Port-

IONAL AFT.

COLORADO—Reculied O Dan Smith from
Hessing, AHL
FLORIDA—Reculied F Davis Nemirovsky PLOBIDA Recorded F Davis Nemirovsky from Fort Wayne, IHL N.Y. RANGERS - Recoiled D Geoff Smith and RY. PAINCEIS—Recolled D Geoff Smith and
LW Bib Berg from Harford AHI.

"PHORNOX—Recolled F Brad Isbible from
Springfield, AHIL
57. Lobis—Put G Grant Fuhr on Injurious
reserve, Recolled G Rich Porent and G Beent
Johnson from Worcester, AHI.

"MASHINGTON—Signed C Moti Herry O Noton
Boungariner and G Mike Rosoft to Portland
AHI.

AHIL

COLLINGS
CENTRAL METHODIST—Announced resignation of Jumes Grasdarf, football coach.
TEXAS ARM COMMERCE—Announced internet of Eddie Vanes, football coach, sective of ead of second.

YMI—Fined Ted Coin, football coach, Manuel otheric director Donny Write Interior.

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TVM Riders Failed Drug Tests in Tour, Report Says

PARIS—Six cyclists from the Dutch team TVM were found to have used illegal doping substances during the Tour de France, a French newspaper

After a medical examination in July, four of six team members were found to have used EPO, which increases the apply of oxygen to red blood cells, and of the cyclists had traces of other illegal substances, Le Parisien report-

The results are part of a 200-page report from a hospital in Albertville, France, where TVM team members were taken for extensive medical checks doring the Tour de France, the report in Le Parisien said.

The investigation into TVM began in March, when French customs agents found EPO in a team car.

The find was only made public after the outbreak of the Tour de France scandal involving the Spanish team Festina, which was disqualified after some of its riders admitted taking performance-enhancing drugs.

A lawyer expressed surprise at the

report.

I am very surprised that these expert orinions, which should be protected by Licial secrecy, have come to light through the press, said Jacoba de Jongh, a lawyer representing four TVM

• In Sydney, Olympic organizers on Tuesday questioned a claim by a British scientist that reliable blood tests had been developed for human growth hor-mone and EPO.

A spokesman for the Sydney Olympic Organizing Committee said the International Olympic Committee does not test blood samples and has said it would not do so until 100 percent reliable tests were found for samples such as EPO and the growth hormone.

Dr. David Cowan, director of the Drug Control Center at Kings College London, said in remarks quoted in an hish newspaper Monday that a research project, funded, by the IOC and the European Union, had discovered reliable blood tests for EPO and HGH. . -

Cowan said urine testing failed to detect abuse of EPO and HGH. By 2000, unless we are testing with blood, we haven't got a chance," he said. Austria's former four-man bobsled

World Cap champion, Habert Schoess-er, announced his retirement Monday after failing a drug test.

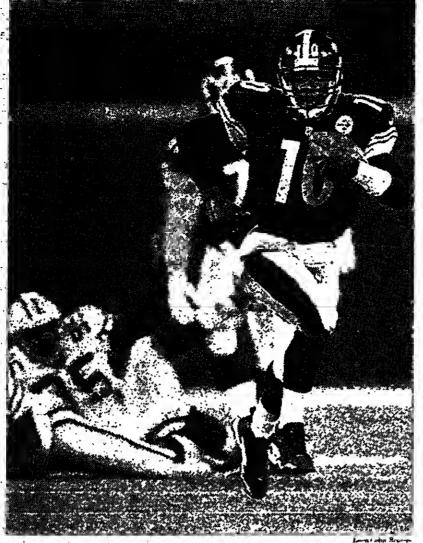
The news agency Austria Presse-Agentur said Schoesser was found to have taken banned performance-enhancing drugs in a test carried ont by the International Bobsleigh Federation.

suspension for a positive marijuana test. escaped further punishment from swimming's world governing body.

Hall won gold medals as part of the

U.S. 400-meter freestyle and 400 medley relay teams at the 1996 Atlanta Games. He also won silver medals in the 50 and 100 freestyle.

In another case, Suzanne Black, an emerican who won a gold medal in the 800 freestyle at last year's World University Games in Sicily, was suspended for three months after testing posinve



The Steelers' Kordell Stewart dashing for a 30-yard gain against Packers.

Steelers Hold Off Packers, 27-20

Stewart Leads Pittsburgh to 27-0 Lead; Green Bay Rally Falls Short

By Mike Freeman New York Times Service

PITTSBURGH - Wheo the quarterhacks Kordell Stewart and Brett Favre are on the same field, defenders

are going to look silly and the game is guaranteed to be interesting.

For Favre, the Green Bay Packers' quarterback, his great play came in the first quarter on Monday night when a Pittsburgh Steelers defensive end, Kev-

in Henry, was draped around his knees. Favre got loose and completed a 26yard pass to the wide receiver Antonio Although Favre led a brilliant comeback attempt in which the Packers cut a 27-point deficit to 7 points late in the game, this night belonged to the Steelers, who with by 27-20, and to Stewart, the Pitisburgh quarterback, who was among the lowest-rated quarterbacks in the National Football League. His great play came when he

backs in the dust. That run led to a Steelers touchdown. With the Steelers' offense performing better than it has been all season and the defense making Favre look like an average quarterback for three quarters, Pittsburgh hung oo to beat the Packers before 60,507 at Three Rivers Stadium. Both teams now bave records of 6-3.

What got the Pittshurgh offense cruising was quick out panerns, hooks and slants to the wide receivers. At

times, it was shocking that so many Steelers wide receivers were so wide open. Stewart, enjoying protection that allowed him to go through all of his reads, was 15 of 22 yards for 231 yards, l touchdown and no interceptions.

Stewart also rushed for a touchdown. The Steelers scored on all four of their first-half possessions, as well as oo the opening drive of the second half, which resulted in a 20-yard field goal by Norm Johnson for a 27-0 lead. They didn't punt uotil early in the fourth quarter.

Until very late in the game, the Packer offense was simply dreadful. Favre continued his struggles of the past five weeks. He was intercepted ooce, which gave him 14 picks in his past five games. the worst stretch by any NFL quar-terback in the 1990s. The Steelers threw everything at Favre, mixing up their coverages and shifting perhaps the best all-round defensive back in football. Carnell Lake, from cover man to blitzer to primary run-stopper.

ran for 30 yards oo a designated pass Not that Favre hasn't seen the kitchen play, leaving the Packers' defeosive sink tossed his way before, but without a running game to help - the Pro Bowl running back Dorsey Levens is out with an injured knee -- it's Favre against the world. The Packers dido't put their first points on the board until the 2-minute-44-second mark of the third quarter, and that was just a 42-yard field goal hy Ryan Longwell.

Green Bay's fortunes began to change in the fourth quarter, though, With the Steelers threatening to score again late in the game, Stewart lined up Green Bay. It was, With the Steelers threatening to score

tight at wide receiver and Mike Tomczak was the quarterback. The Packers defensive end Reggie White interrupted what was a quesuonable play call by sacking Tomczak. The ball popped loose and the lineman Keith McKenzie picked it up and ran 88 yards for the touchdown. (The 2-point conversion at-

tempt was no good.)

The failed trick play gave the Packers some life. After foreign Pinsburgh to punt, they later scored on a 2-yard run Raymont Harris to cut the score to 27-17 with just under five minutes left. The Packers recovered the onside kick and eventually kicked a field goal. Pittsburgh recovered the onside kick the next

time and hung on. The Steelers had five victories coming into this game, but from the way Coach Bill Cowher acted this week, one would have thought Pinsburgh had no victories. When asked by reporters before the game if Stewart or the backup, Tomczak, was slated to start. Cowher gave contentious responses that provoked such a negative response from fans - who watched the news conference live - that

he was forced to apologize. Cowher has always been emononal. hut his reaction to the questions betrayed the real reason he was in such a foul mood. Pittsburgh's offense has struggled, as has its defense.

Before the game, a Packers safety, LeRoy Builer, said that if Stewart played well it would be one of the more

Texans Sweep Baseball Rookie Prizes

The Associated Press NEW YORK — They sure play good high school baseball in Texas. Kerry Wood, Grand Prairie High School Class of '95, was voted National League Rookie of the Year on Monday, and Ben Grieve, Class of '94 at James W. Martin High School in neighboring Arlington, won the American League Rookie of the

Year on Tuesday. "Ben, I grew up playing against him in high school and he's always been a great player," Wood said. "We've talked more this season than we had all of high school. We didn't like each other in high school. It's going to be something to see, two guys from the same area getting American and National League

Rookie of the Year." Wood, who struck out 20 in just the Colorado first baseman Todd time since 1989. Helton in the closest National League rookie vote since Steve Sax topped

Johnny Ray by six points in 1982. Gary Hail, an Olympic gold medal Wood, a 21-year-old right-hander
 ist who has already served a three-month received 16 first-place votes and 16 received 16 first-place votes and 16 seconds to finish with 128 points in balloring hy the Baseball Writers' Association of America. Helton got 15 firsts, 14 seconds and two thirds for 119 points.

Travis Lee, the Arizona first baseman, was third with 21 points, and the Atlanta closer, Kerry Ligtenberg. who received the other first-place vote, was fourth with 18 points.
Grieve easily won the AL Rookie

voting. The 22-year-old right fielder

The Tampa Bay pitcher Rolando Mike Caruso was third with 34 points, followed by Orlando (El Duque, Hernandez, the New York pitcher who finished with 25 points and the other first-place vote.

played in the major leagues and was with runners in scoring position, the the general manager of the Texas Rangers, led AL rookies with 168 hits, 18 home runs, 94 runs, 41 doubles and 89 runs harted in. He led cause they play at Coors Field. the club in on-base percentage, at-bats, bits, doubles, walks and was homers and 61 RBIs, but .273 on the bats, bits, doubles, walks and was homers and 61 RBIs, but .273 on the second in runs. He batted .288 and road with 12 homers and 36 RBIs. made just two errors in the outfield.

Wood was 13-6 with a 3.40 earned his fifth career start and helped the run average in 26 starts, striking out pitchers in the AL. Arrojo weot 14-Chicago Cubs to their first playoff 233 in 166% innings as the Chicago 12 with a 3,56 ERA and made the berth since 1989, narrowly beat out Cubs made the playoffs for the first All-Star team. Hernandez, who fled

one-hitter against Houston on May 6. on June 3. Roger Clemens, who did it against Detroit and Seattle, is the only other average, but made 35 errors at pitcher to strike out 20 in a nine-

inning game. 'It helped me finally realize that I was capable of pitching at that level. Wood said. The previous four starts before that were rocky."

Wood was the favorite to win the award heading into the final month of the season. But because of a sprained elhow ligament, his start against Cincinnati on Aug. 31 was last of the regular season.

for the Oakland Athletics was the NL playoffs, allowing one run - not only candidate named on all 28 bal- carned - against Atlanta as the Cubs against the Japanese all-stars.

lots. He received 23 first-place votes were eliminated. His elbow will be and five seconds to finish with 130 examined again in about two weeks.

Helton batted .315 with 25 homers Arrojo earned four first-place votes and 97 runs batted in, taking over at and 61 points. The Chicago sbortstop first base for the Rockies after Andres Galarraga left to sign with At-lanta after the 1997 season.

Helton led the major leagues in August with a .398 average and hat-ted .359 after the All-Star break, the Grieve, whose father, Tom, sixth-best in the majors. He hit .386 fourth-best in the haseball.

However, offensive statistics for Rockies tend to get discounted be-

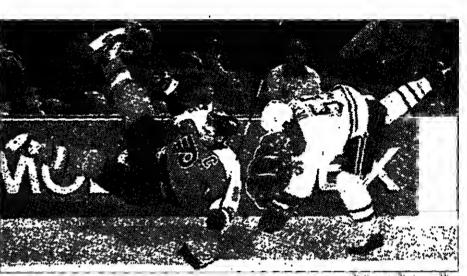
Arrojo and Hernandez, both Cuban defectors, were the top rookie Cuba on a raft last December, went He struck out 20 while pitching a 12-4 with a 3.13 after being called up

Caruso led AL rookies with a .306

■ Matsui Helps All-Stars Win

Hideki Marsui hit a two-run homer in the three-run first inning Tuesday as Japan's all-stars rebounded from two losses and beat a team of major leaguers 6-2. The Associated Press reported from Fukuoaka, Japan.

The major leaguers opened their visit with three victories - 4-1 over the Ceorral League's Yomiuri Gi-Wood returned in Game 3 of the ants, and then 8-1 and 10-7 in the first two games of a seven-game series



Philadelphia's Eric Lindros, teft, and Montreal's Igor Ulanov colliding.

Salo Shines as Islanders Win

The Associated Press

TORONTO — Tonumy Salo turned aside 38 shots as the New York Islanders won in Toronto for their first victory at Maple Leaf Gardens since Feb. 3, 1993. They also won on the road for the first time since Oct. 17.

'Tommy won us that game," said Mike

NHL ROUNDUP

Milbury, the Islanders' general manager, after his team triumphed. 3-1. on Monday night. That was the worst game we played as a team, but Tommy was just brilliant. That is as good a game as Tommy has played this season, and he has played some good games."

All of the scoring came in the third period.
Claude Lapointe, Gino Odjick and Sergei
Nemchinov scored for the Islanders, who were outplayed and outshot, 39-19. Alyn Mc- scored to rie the game at 3-3.

Cauley scored for the Maple Leafs.

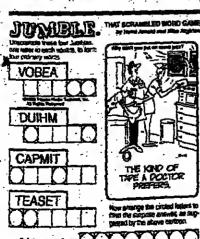
Salo was especially sharp in the first two periods, including saves on two hreakaways by Steve Sullivan and three close-in chances by Mats Sundin, his Swedish countryman. Sometimes you don't deserve to win the game, and that was probably the case." said

Lapointe. Canadions 5, Flyers 1 In Montreal. Brian Savage scored twice to spark the Canadiens' victory. Martin Rucinsky. Turner Stevenson and Shayne Corson also scored for the Canadiens who scored on their first three shots

Kings 4, Canucks 3 Vladimir Tsyplakov scored with 3:57 left as Los Angeles won in Vancouver to snap a four-game winless streak. Tsyplakov's winning goal came two minutes after the Canucks' Markus Naslund



"BUT HE WAS A GROWNUP, YOU SAID YOU WERE TAKING ME TO A KID DOCTOR!"



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PEANUTS



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WHY, THANK YOU, SIR











CALVIN AND HOBBES











NON SEQUITUR









NEW YORK — The big election issue in Burgtheir horses that they hitch ville was the meals tax. Would the people approve a drives in the country. tax on restaurant meals to help pay for building schools? Burgville's cry of

'No!" was resounding. I knew it would be, so I voted for it. Voting to be taxed so Burgville youth could get an education and his neatly pressed, but not osamount to something made tentatiously custom-tailored, me feel not only like a good middle-of-the-road-Republicirizen, but also like a wonderful human being.

Burgville elections are always rife with certainties. Everybody always knows for tainty — there's something certain that congressman unhealthy about it. So I voted Frank Buckner will be refor the Democrat, even though elected, as he was last week. He's Republican. Nothing but Republicans have been elected in Burgville since the Weather Bureau began keep-

history. I know that when a politician gets 75 percent of the vote it often goes to bis mind the threat of tyranny.

able, as congressmen go, I voted against him as a matter of abstract principle. Some show of opposition was imcaprices of tyranny.

I remember reading that Caligula made bis horse a consul of Rome. Or was it was. It's the horse of the mat-

ter that interests me. That's because Burgville is But in Burgville, certainty. surrounded by horses and all

the paraphernalia that goes with them: hounds, toxes. bourbon, people so devoted to

> horse carriers to their pickups and take them out for Sunday Is it inconceivable that in this venue a tyrant hardened by incessantly winning 75 per-cent of the vote might make

his horse mayor of Burgville? can, not right-wing-nut, suits.

Still, all this Burgville cerhis campaign literature disclosed an alarming amount of time spent in divinity schools.

These Republicans are bad enough about confusing Gospel and politics. Why encourage the habit in Democrats? If ing records.

I figured Buckner a good age the habit in Democrats? If bet to get 75 percent of the had had a chance of winning I might have reconvote, and, being a student of ning. I might have reconsidered the wisdom of voring against Buckner, and never

starts behaving like Caliguia.
So, though Buckner has acwinning anything in Burgwille, I felt safe in acting on my intellectual grasp of his-tory, and voted Democratic.

Such is the comfort of political life in Burgville. portant, I thought, possibly to Here a person can always vote save Burgville from the the way a good citizen ought Here a person can always vote to vote and be certain that the majority of the electorate will never let him suffer the con-

At midnight I shut off the TV, with its experts and its associate emperor? It's not turbulent story of democracy important what the office with its poisonous commercials and slimy millions. Squalor, squalor everywhere. New York Times Service

Stephen King: Rich, Famous and Dissatisfied

By Doreen Carvajal New York Times Server

TEW YORK - At midcareer and middle age. Stephen King is a restless member of the magic circle of best-sellerati, the exclusive elite of commercial authors whose pricey prose can pay for a football team or pad a publishing house's bottom line.

His latest novel of haunted love. "Bag of Bones" (Scribner), may occupy the prime real estate of best-seller lists and his new publishing partnersbip appears to be a bliss-ful business marriage. But King is not entirely satisfied. He wants more.

Readers, that is. There are the lapsed female fans who, focus groups indicate, have riptoed away from his brand of horror for tales such as the "vampire lit" of Anne Rice that King dismisses as soft-core pomography. Then there are the up-market customers who have shunned him like "Carrie," or the potential readers who know him only from plot twists in films and television movies.

"This is psychological," explained King. whose quest for more readers gives him the zeal at times of a director of marketing. "I would like to sell. I wanted to bave one more book that was big, that felt like I was running the tables in terms of sales. I wanted to knock Tom Clancy out of the number-one spot Like Leonardo DiCaprio. I'm king of the world, even if it's only for two weeks,

career, a line that the writer character in "Bag of Bones" gratefully remarks is "longer for novelists because readers are a little brighter than fans of the nonwritten arts and thus have marginally longer memories,"

Today his newest title clings to the upper tiers of best-seller lists, but his opening sales do not compare with some of his rivals, including new authors seeking to enter that books have climbed the rungs of the New York Times best-seller lists. King's newer titles spend less time there. In its crucial debut week in late September. "Bag of Bones." for instance, sold in numbers at the Barnes & Noble chain that were a third of the opening sales for Clancy's "Rainbow Six" (Putnam) or baif of those for Robert Jordan's "Path of Daggers" (Tor/Doherty), which nudged "Bag of Bones" out of No. 1

Just a year ago. King parted with his newly



Stephen King in England, during his promotional tour for "Bag of Bones."

merged publisher. Viking, and started a very awkward public search for a new literary whatever. I wanted those things."

At 51, with library shelves of best-selling books in his name and pen-names, King is aggressively confronting the arc of his long million advance he initially demanded for the "Bag of Bones" manuscript.

Ultimately, the courting rituals with various publishers ended in a unique profit-sharing partnership with Simon & Schuster, the unit of Viacom that paid him a \$2 million advance against profits for each title in a three-book deal plus a share of the profits of more than 50 percent. Since then, King has expanded that arrangement to include two more books and preserve. And while more than 20 of his he speaks of his new publishing house like a satisfied groom - one who is even more elated because he is rid of his first wife.

The lack of an enormous advance gives both sides more freedom, King said: "You become a partner in how the book does and you're not expecting somebody to take the fall if the book does badly. The problem with the big advance today, particularly for a writer who has sold as well as I have in the past, is that it says to the publisher that 'all I'm doing is taking out flop insurance."

So far, the author is so content with the partnership that he describes it as a "honey-moon cruise" with executives at his new imprint, Scribner, who "make me feel like I'm 35." In contrast, he said, in his "mar-riage with Viking, I played the woman's part. I felt like the little housewife who stays home and works all day, while my busband is out taking all the credit and sporting around town in his nice tailored suit. And I felt that I wasn't being respected and I was being taken

for granted.

With the merger of Viking's parent into the Penguin Putnam Group, King said he felt he was caught in a power struggle between top executives in the different companies. Putnam. he said, already had mega-selling authors like Clancy and Patricia Cornwell.

'Clancy sells more copies than I do and Phyllis Grann is their rabbi, simple as that," he said, referring to Penguin Putnam's president, who makes bit appearances in "Bag of Bones" as a doting publisher willing to help the novelist protagonist "with almost any concern." Grann declined to comment on the negotiations. Several associates of King with knowledge of those talks, though, said horror instead of hard-core horror."

the company did make serious efforts to keep him; one person, who spoke on condition of anonymity, said King was nervous that the publishing house had become - "Tom Clancy's company and be bad this incredible competition with Clancy."

Now King and his new partner have

settled on a strategy to try to increase his sales -- which had seemed to reach a plateau of less than 1.3 million copies - by seeking lapsed readers through appeals promoting the writing quality in "Bag of Booes" or highlighting its romance elements. Focus groups, a rarely used expensive research tool groups, a rarety used expensive research that in the publishing industry, met for four nights to analyze "Bag of Bones" and to discuss what makes readers run to buy King books or to bolt in the opposite direction.

"It was clear that a lot of people who bad fallen away were women," King said of the

research results that, he added, did not affect the book's editing. "A lot of them felt that I was writing strictly horror stories and I knew that wasn't true. And I've always been a little sby about saying, 'Now, wait a minute, I'm a lot more than just a horror writer' because it sounds so conceited."

That became the task of Scribner's publisher, Susan Moldow, who promoted the title among booksellers in places like Michigan and Alabama in the hopes that the book would reach new readers through positive word-ofmouth reviews from bookstore employees. It. was ber view that many people knew King's work through movies or television series, but,

surprisingly, not through his own words.
With a bigger stake in the deal, King made more of an effort to promote the book, submitting to a rare publicity tour and the ques-tions of talk-show hosts and reporters — a process that his hero in "Bag of Bones" compares to being sushi at a sushi bar.

But expanding King's base is in some ways a delicate task. By emphasizing romance elements, the publisher also risks turning off loyal readers who are drawn to King's work for plots stressing borror and the supernatural

"I'm not really sure this is the real Stephen King or is this a mask that he's putting on for this particular book," said Jim Farrelly, a professor of English at the University of Dayton who had been teaching courses featuring King's books for almost as long as King's career. "I'm really coovinced that



- The actress Catherine Deneuve in New York with her daughter, Chiara Mastroianni, after the Alliance Française honored her for fostering "cultural understanding" between France and the United States.

A from the Italian violinist Luigi Alberto Bianchi, the who is to conduct. police in Rome said. Investigators said they suspected that the thieves were commissioned to steal the instrument, the sole object taken last week from the home of the musician's mother. They said there was no sign of forced entry. Bianchi paid \$900,000 for the instrument, named Colossus for its size. at a London auction in 1987.

A Los Angeles County grand jury has indicted the Grammy Award-winning singer and keyboardist Bitly Preston; his former manager. Merle Otis Greene, and five other people on 22 charges of arson and insurance fraud. Prosecutors contend that the group collected more than S1 million by filing fraudulent insurance claims. The fraud included setting fire to their own homes, and staging burglaries and vehicle accidents between 1991 and this year. Preston, 52, is in prison for violating probation on a cocaine possession conviction. A defense lawyer could not be reached to comment.

The American soprano Cheryl Studer has been dropped by the Munich Opera after its director. Peter Jonas, termed her voice "not good enough," Studer, 43, was to have sung in "Die Freischutz." earning \$165,000 for rehearsals and eight performances. She is suing the company. She and her husband. Erwin Schwarz, who is also her agent, said she was

PEOPLE

A jury in Los Angeles has decided that Jean-Claude Van

New Twist Over a Van Gogh

PARIS -- A fierce dispute over a reputed painting by Van Gogh that has been called a fake has taken a new twist, with the work's latest owners demanding their

"Jardin à Auvers." an oil study of a garden in Auvers. where Van Gogh spent his last two months before killing himself, is owned by the heirs of the multimillionaire banker Jean-Marc Vernes, who bought it at auction in

1992 for 55 million francs (\$10 million at today's rates). After questions about its authenticity prevented Vernes's heirs from selling the painting in 1996, the family has decided to file for an annulment of the sale and full reimbursement by its original owners, the newspaper Le Figaro reported Tuesday. The family has sued both the sellers, descendants of the art sollector Jacques Walter, and the aucrioneers, Jean-Claude Binoche and Antoine Godeau, the newspaper said.

1716 Stradivarius valued at \$3 million has been stolen dropped because she does not get along with Zubin Mehta. Damme owes oothing to a martial arts expert who claimed be collaborated with the actor on a movie script. Frank Dux sued Van Damme for \$1.5 million, claiming he broke their contract over "The Quest," a 1991 movie that Van Damme directed and started in. Dux said the film was similar to the manuscript for "Enter the New Dragon: The Kumite," which they both wrote. Dux said he planned to appeal.

> Newsweck's managing editor, Mark Whitaker, has been promoted to editor, succeeding the late Maynard Parker and becoming the first black editor of a major U.S. news weekly. The new managing editors will be Ann McDaniel, Newsweek's Washington bureau chief, assistant managing editor and chief of correspondents, and Jon Meacham, national affairs editor, the magazine announced Tuesday. Parker died last month at age S8 of complications from pneumonia after being diagnosed with leukemia last November. Parker bad returned to work in June but fell ill again and was hospitalized

> Roberto Benigni's "La Vita e Bella" ("Life Is Bean tiful") has been named the official Italian competitor for best foreign film at the 1999 Academy Awards. The film, starring Benigni, won the Grand Jury Prize at the 1998 Cannes festival. It is a Chaplinesque fable of love and imagination set against



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